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LATIN AMERICA REPORT

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BRIEFS

JUNGLE OIL PIPELINE, REFINERY--The two major projects on which the Petroleum Company of Peru [PETROPERU] is concentrating this month are opening the oil pipeline between Nueva Esperanza and Capirona and completing construction and assembly work in the new refinery of Iquitos which will increase by 10,500 barrels a day the volume of petroleum processed. Work on the oil pipeline, scheduled to be inaugurated soon, is progressing at a very fast rate despite heavy rainfall in that area and problems arising from the fact that the terrain is swampy and covered with dense vegetation. The project, which requires an investment of \$20 million, will link the region of Nueva Esperanza--where the existence of high quality petroleum has been established--to the pipeline network of PETROPERU in subdivision No 8 of the northern jungle. The new oil pipeline, northwest of the currently producing oil fields of Trompeteros, Capirona and Pavayacu, will carry some 10,000 barrels a day. Work in the new refinery being built in the jungle is 90 percent completed and the mounting of Spanish-built equipment is due to be finished this month. Starting in October, this refinery will raise the refining capacity of PETROPERU to 188,100 barrels a day to meet the fuel needs of jungle villages. In the field of research, PETROPERU is also working to set up a geochemistry laboratory where this company will be able to make use of the most modern technology in the exploration of hydrocarbons. The use of this facility represents big savings in foreign currency by making it possible to analyze here samples from various parts of the country instead of having to send them abroad. [Text] [Lima EL COMERCIO in Spanish 2 Jul 82 p A-9] 8796

CSO: 3010/1915

CAMILION ON LIMITED REGIONAL SUPPORT IN CONFLICT, OTHER ISSUES

Sao Paulo VEJA in Portuguese 7 Jul 82 pp 3-6

[Interview with former Argentine Foreign Affairs Minister Oscar Camilion on Falkland Islands conflict and other subjects, in Buenos Aires on 1 July, by Alceu Nader]

[Text] Upon leaving Brasilia in March 1981 to head up Argentina's Ministry of Foreign Affairs--summoned there by then President Roberto Viola--Ambassador Oscar Hector Camilion, aged 51, left a prophetic statement at a farewell banquet. "We learned not to purchase conflicts," he stated briefly to reporters who were asking him about the competent job of rapprochement between the two governments, which he had been coordinating from the Argentine side during the 4 years and 8 months he spent in that position. A year later, that principle became ironic. In purchasing an unnecessary conflict, the new government--which dismissed Camilion from the San Martin Palace last December--dragged the Argentines into an absolutely disastrous adventure, becoming involved in the Malvinas Islands conflict with England.

Negotiating and conciliating are old habits of that former EL CLARIN journalist, lawyer and professor of politics, matured in 22 years of diplomatic career. Negotiating, he convinced his government, already in 1962, not to sever relations with Cuba, going against the anti-Castro tide of that era. With equal determination, he tried, in his fleeting 8 months in the ministry, to mend the broken relations between his country and the United States. Accused of excessive Third World leanings, he later saw his detractors cringe when that same Third World verbally supported Buenos Aires against England.

"Argentina is now at a singularly difficult point of its history," said the former ambassador, for whom "intransigence" is a key word in understanding his country's crisis. Associated with politicians of the Integration and Development Movement, he made his apartment in the magnificent northern area of the capital a discreet stopping-off place for politicians and even some of the military. It was at that apartment, filled with books on Brazil and photos of President Ernesto Geisel and President Joao Figueiredo, that Camilion received VEJA last week--shortly before his country was defeated by Italy's crack soccer team.

Pure Rhetoric Until Now

VEJA: Why is Argentina, seen abroad as a country which has everything needed to get along well, also considered a country politically unviable?

Camilion: The present Argentine crisis is very serious and deep inasmuch as it is old; it has been going on for at least 5 decades. Despite being a country with an optimal natural resources versus population ration, the truth is that Argentina has not yet recovered from the crisis of 1930 when the first interruption occurred in the institutional system. We have had 52 years of crisis. This is fantastic, but it is the pure truth. With the loss of the rules of the game of democracy, which occurred in 1930, the armed forces gradually appeared as an instrument of the country's conservative forces.

VEJA: How did this happen?

Camilion: As the conservative forces gradually became accustomed to the "coup d'etat" as a normal way to achieve power, military headquarters began to be increasingly used as a more important instrument than the ballot box. This brought about the death of the Conservative Party. Here again we must consider the country's economic performance. After World War I, there was a drastic change in the world economy and, whereas other countries tried to adapt to the new situation, Argentina continued to depend on the export of raw materials.

VEJA: But not even for this reason did it cease to have a stable economy.

Camilion: What happened was that, thanks to the exceptional ratio between production and the people, the economic problem was by-passed. But with the gradual breakdown of the institutional system, there was a gradual regression of Argentine positions in the world. Later, with World War II, Argentina recuperated from an economic standpoint with the export of foodstuffs. In the 1940's and 1950's, the country's situation was so favorable that, according to what is remembered, it was not possible to pass through the corridors of the Central Bank's vaults, so much gold was piled up.

VEJA: Is the present change of position of the Argentine foreign policy toward Latin America pure rhetoric?

Camilion: What has been done until now is pure rhetorical and diplomatic literature, but it is a step in the right direction. We are going through a phase of the obvious conformation that Argentina was an extension of Europe. It is certain that this was so, both ethnically and culturally, but its origin is in the country's cultural vacuum, brought about, in turn, by Argentina's great geographical vacuum. The change was negative.

The Negative Legacy of Authoritarianism

VEJA: Were you surprised that there was not more concrete support for Argentina by Latin American countries during the war?

Camilion: No, in no way. Argentina was not in position to request more effective support after the individual initiative it took in invading the Malvinas Islands; Argentina had only the right to request political support for its position.

VEJA: Why could it not ask more?

Camilion: This would place the other countries in a very disagreeable situation. It is not good diplomacy to offer other countries the option of sanctioning themselves just to aid a friend. We cannot forget that all Latin American countries have their weak side--namely, the foreign debt--and also that the English have much greater weight in the international banking market. I believe that, in some instances, the support received even exceeded what could be considered reasonable.

VEJA: What instances are those?

Camilion: Those in which military cooperation was given to the point of resolving certain supply problems and those in which significant diplomatic support was given in the form of good advice.

VEJA: In the case of war-materiel support, would it be Peru, and in that of good advice, Brazil? Or would it be the opposite?

Camilion: Just as an example, this is a good way to present the support received in very synthetic terms.

VEJA: What grade would you give to Argentina's diplomatic conduct during the entire war?

Camilion: In my opinion--and I shall say this only because I would not like to say after the termination of the crisis what I did not say during the crisis--there were good opportunities to negotiate. I believe that Argentine diplomacy wasted more than one good opportunity to obtain peace. That is the severest criticism I am making.

VEJA: You even said that it was a stupid war.

Camilion: The shades of difference between the Argentine and English positions, before the final escalation of hostilities, did not in the least justify war. There was more than one opportunity to reach an agreement, and not having taken advantage of those opportunities is a serious responsibility of the Argentine Government.

VEJA: On those occasions, was Argentine sovereignty over the islands guaranteed?

Camilion: What was guaranteed was that the problem would continue to be discussed, despite the ill will of the English. In my opinion, Argentina had the guarantee of a favorable denouement inasmuch as the problem was recognized. This alone solved half of the problem.

VEJA: And now?

Camilion: There was a war, and this changes the picture. The Argentine defeat does not change the substance of the problem; nor does it give the English a different right from what they had before the war; but it creates problems which are difficult to avoid.

VEJA: How do you, who were once a journalist, analyze the behavior of the Argentine press during the war?

Camilion: With some exceptions, there was an excessive acceptance of official information, and there was also a lack of objectivity in the evaluation of the negative possibilities and dangers the war would produce. The main point is that the Argentine press did not encourage the government sectors which wanted to negotiate. On the contrary, it encouraged anyone who believed that the military solution was the best alternative.

VEJA: One read in the newspapers and magazines, and it was even publicized over the radio and television, for example, that the "Invincible" and "Canberra" had been destroyed, that the "Hermes" was out of action and that Admiral Woodward was wounded, allegedly dead, allegedly taken prisoner.

Camilion: This policy of information--that is, of the misrepresentation of information--is one of the most negative legacies of authoritarianism and also one of the most reasonable explanations of the indignation and violence manifested at the Plaza de Mayo by the people after the defeat. Millions of Argentines found themselves deceived by the government and press.

VEJA: How can Brazil help Argentina in this postwar period?

Camilion: The Argentine political process has been significantly stepped up. There are new conditions whereby the Argentine political structure may succeed in re-establishing its democratic institutions as early as next year. One of the most clearcut possibilities for cooperation can be in the form of more frequent meetings between political leaders of both countries, especially because this acceleration by Argentina may very well be used by Brazil which, at this moment, is reaching a very important phase in its political overtures.

Do Not Cry Over Spilled Milk

VEJA: What is the vital point of the Argentine crisis?

Camilion: It does not good now, as they say in Spanish, to cry over spilled milk. Argentina is now at a particularly difficult point of its history. It is faced with a very ruinous economic situation, an explosive financial picture, international relations in shambles and, also, a very critical political situation. The civilian picture is not completely re-established, and the armed forces are showing signs of rifts unprecedented in the history of military structures.

VEJA: Could you explain those rifts a little better?

Camilion: This is the sixth military structure in Argentina since 1930. In previous experiences, we saw military structures which were weakened through elections, but never divided. Now we have the reality of a military regime whose usefulness has terminated before the elections. Although there is no ostensive hostility among the armed forces, two of them, the navy and air force, withdrew from government responsibility, leaving it up to the army alone to hand the power over to civilians. There is still doubt as to what will happen within each of the three branches, which, together with the rest of the country, are passing through a serious leadership crisis.

VEJA: In your opinion, what will happen?

Camilion: First, successive leadership crises will erupt within each branch and it will be necessary to revamp each one. Later, there will have to be a base which, of necessity, will have to be solid. In valid theoretical terms, the final denouement of the Argentine crisis requires a solid military class.

VEJA: And from the civilian aspect, what are the possibilities?

Camilion: The Argentine civilian team has not yet digested the tragic consequences of the Malvinas Island question. One of the decisive aspects of the lengthy Argentine institutional crisis is that of the absence of a political class, that is, of a combination of leaderships united in their respect for the rules. The starting point for that understanding will come when the Argentine politicians now in congress meet during the coffee break. Until a short time ago, the barriers existing among the leaderships were insurmountable. They even prevented social conviviality. The country's principal political leaders spent decades without seeing each other, or speaking to each other. It was not even customary to attend the funerals of close relatives of political opponents. This largely explains the weakness of Argentine civilians during the past 50 years. Intransigence has always predominated.

The Civilians and Military Are Not Opposed

VEJA: What should the politicians do from now on?

Camilion: They should become aware that they are elements in the common objective of strengthening democracy, have mutual respect for each other and agree that the common interests of the country are much more important than small party differences of position. This is already occurring. Some aspects, formerly nonnegotiable, are now becoming less important in face of the seriousness of the country's crisis.

VEJA: What is the influence of the Peronists in all this?

Camilion: They represented a very important party, but no longer dominant.

VEJA: Are they also responsible for the present economic crisis?

Camilion: Both the populism of the Peronists and the liberalism of Martinez de Hoz generated economic depression in the implementation of their formulas. The economic crisis we are now facing began in 1975, still during the last Peronist regime. Neither populism nor liberalism took the oil crisis into account, a crisis which completely altered the world's trade relations.

VEJA: Is today's picture worse than before the military coup which overthrew Isabelita Peron?

Camilion: In terms of budget and currency, the figures are similar. In inflationary terms, also. Real inflation in Argentina is presently similar to what existed in 1975 and 1976 when we reached the fantastic rate of 900 percent in 1 year, and the imbalance in the public accounts is even worse than before. To this we must add the foreign debt, much greater than in 1976, and the fact that the percentage of national work to pay interests and services will now have to be much greater.

VEJA: Is "failure" the word to use in defining the 6 years of the military regime?

Camilion: No. I would say that what happened in recent years was the realization that the traditional Argentine model has become exhausted. In the present circumstances, the model of Martinez de Hoz could only lead us to a depression. In the 1960's, it would have led us to a greater state of underdevelopment; now, it is leading us to total disaster, to a depression. Contrary to what is happening in Brazil where the problem of the foreign debt is a result of the need to import energy, the most serious aspect in Argentina is that the problem of the foreign debt arises from the economic model itself.

VEJA: Are the civilians capable of governing without the interference of the military?

Camilion: First, it is a mistake to depict Argentina as a dialectic in which the thesis is the civilian sector and the antithesis the military. This is not the case. For many years, the military have been manipulated by the financial interests of civilian groups. There is no military or civilian entity as such; rather, there are civilian and military citizens who insist on the implementation of a model which serves only for an Argentina with half of the population it has now, and other military and civilian citizens who are attempting to implement a model which reflects the reality of a country with almost 30 million inhabitants. It is obvious that what Argentina needs is a democratic and stable system, and this will require that the Argentine civilian class be capable of giving an immediate answer. However, this will be one of the major difficulties to be faced by the politicians who, with rare exceptions, do not have experience in government responsibilities. In Brazil, this does not happen, for even the opposition participates in the government's problems and, very important, has contact with the faction in power. The Argentine political class has no margin of error. A situation, such as we now have in Argentina, tends spontaneously to create another dictatorship, not a democracy. A country which makes the economic depression a structural prerequisite of its conduct is closer to anarchy than to democracy.

Argentina Had No Possibility of Winning

VEJA: How do you explain the total failure of the Argentine military in the war against the English?

Camilion: To me it was no surprise, since a Latin American country, underdeveloped, could never win a NATO war. The personal effectiveness and heroism of certain Argentine combatants could not compensate for the tremendous imbalance between England's economic and military potential and that of Argentina.

VEJA: Could paramilitary groups return to active service?

Camilion: That experience is universal. The dismantling of irregular repressive apparatuses and the transition to normalcy always create incidents. But I would not consider this important, for those groups tend to be gradually absorbed.

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GOVERNMENT PROGRAMS DESIGNED TO WIN VOTES IN NOVEMBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jul 82 p 4

[Article by Sergio Chacon: "Government Seeks To Win at Any Cost"]

[Text] Brasilia--Although the election campaign has not yet officially begun, the federal government and state administrations are working exclusively in the interests of the November election. Special programs, more credits in various sectors, appointment of officeholders, advertising appropriations and all other activities have but one purpose in mind: to help the PDS [Social Democratic Party] candidates win.

Except for Para and Rio de Janeiro, whose governors are members of the opposition, in all other states every effort of federal and state administrations seeks to benefit PDS candidates running in November. If the election of a deputy will cost between 30 million and 80 million cruzeiros this year, depending on the region, the governors and the technocrats of the federal administration are working to reduce those costs by providing assistance to the candidates.

State governors are sparing no effort. The federal government is trying to help the PDS within ethical limits that permit the Planalto spokesman to deny using official machinery for the party's benefit. But even the military, although discreet, admit that there are excesses and that they will be "duly recorded." This survey by O ESTADO DE SAO PAULO branch offices and correspondents mentions some of the more flagrant cases. The final text is by Sergio Chacon of the Brasilia bureau.

Atila Challenges Opposition To Present Evidence

"The government is not using the official machinery for the benefit of its own party's candidates in the November election," assures Planalto Palace spokesman Carlos Atila, adding that he considers it natural for opposition parties to make such accusations, especially in the states where regional administrative action is limited.

"It would be strange, considering the radicalism of opposition sectors in criticizing the government," he explains, "if the PMDB [Brazilian Democratic Mobilization Party] and the other parties would dedicate themselves to praising it rather than trying to take advantage of every opportunity to condemn its performance."

The president's press secretary challenged the opposition, however, to furnish specific evidence that the government is using official machinery in supporting its

candidates. "They can say all they want, but I would like to see them prove their accusations. They will not be able to do so because the criticism is unfounded," asserts the palace adviser.

What is really happening, according to Atila, is that the opposition is becoming resentful--given the popularity of the president--that President Figueiredo is participating actively in the PDS campaign. This is natural in any democratic regime; the head of the government cannot remain aloof from his party's effort to stay in power, he feels. Carlos Atila stresses, however, that this participation excludes use of official government machinery.

But there are various instances in which the public power prepared a series of impact projects for election eve and relaxed official credit control to permit creation of employment opportunities and ease the electorate's financial squeeze this year.

The military are reticent when commenting on the November elections and the methods used by candidates to attract votes, but they are unanimous in expressing their perplexity at the reported cost of electing a candidate to the federal chamber or Senate: 50, 70, 80 million cruzeiros.

Many are of the opinion that it is difficult to avoid use of government machinery and other financial methods to persuade the voter, especially in the less-politicized regions, but believe that all acts of corruption and flagrant administrative disregard for rules will not fail to be duly "recorded." Since 1 January, when Interior Secretary Mario Andreazza announced creation of the Program for Municipal Assistance (PAM), the number of visits by congressmen to his office has increased. All the deputies were listed in the ministry, together with the municipalities that make up their voting base, and the effort to help the PDS candidates was begun.

The plan was submitted to Planning Minister Delfim Netto on 12 January during a visit to the Interior Ministry. There, in a sixth-floor room, the computer system that regulates the program is housed. First the requests made by municipal governments to the Interior Ministry, of which there were about 2,500, were surveyed. Then these requests were screened in accordance with PAM requirements, the most important of these being the spending limit of 5 million cruzeiros per municipality. Ministry technicians then fed into the computer program the names of the PDS deputies and the ultimate benefit to each in terms of votes.

Over 4 billion cruzeiros have been distributed in this way, according to the latest calculations by the technicians, of the total of 7 billion cruzeiros released by SEPLAN [Planning Secretariat]. During Delfim's visit to the ministry in January Andreazza had mentioned that he would ask for supplemental funding of 5 billion cruzeiros this year, for a total of 12 billion cruzeiros in the period.

Thus far, all the requests from PDS deputies have been granted. The main criterion for funding is persistence in visiting Andreazza's office during the few days he spends in Brasilia. Alcides Franciscato and Ademar de Barros Filho, both of the Sao Paulo PDS and frequent visitors to the Interior Ministry, have had 14 and 11 requests, respectively, granted so far.

The works being funded are small-scale: street paving, schoolhouse improvements, etc. As analyzed politically by observers, the ministry's strategy is to have the work completed by 15 November in as many municipalities as possible. Thus, by the end of this month 1,773 of the 4,105 municipalities will have received PAM funds, the vast majority with the help of PDS deputies.

After the funding has been approved the ministry generally informs the deputy who has submitted the request so that he can announce the project to his constituents. This system also results in benefits to municipalities whose mayors are from the opposition, but the government-party candidates gain the election benefits.

To give an idea how quickly the work is being done: in May, Andreazza was in Rio Grande do Sul to inaugurate the Cidade Feliz water-supply system; street lighting in Casca; road paving in Santo Antonio das Missoes and street lighting in Piratini.

The first stage (December, January, February and March) cost 2.4 billion cruzeiros; the second (April, May and June), 2.57 billion cruzeiros; the third (July, August, September), 2 billion cruzeiros. There is an expectation that this timetable is not being followed and that in this final stage funding is being stepped up.

The PAM is the supporting instrument for candidates in small municipalities. In medium-sized and large cities the Interior Ministry's major support for PDS candidates is the BNH [National Housing Bank], mainly through basic sanitation works and low-income housing.

Eliseu Still Announces Works Projects

Last 19 December, when he announced the feeder-highway program (Agrovias), for which the government appropriated 25 billion cruzeiros this year, President Figueiredo was thinking about what the Transport Ministry could do for PDS victory in November. The government will spend 60 billion cruzeiros on Agrovias which, technically, is a program acknowledged to be necessary for shipping inland crops and developing the more distant regions but that, as the technicians say, should have been started sooner.

All the agreements signed to install Agrovias had the participation of PDS politicians, each one asserting his need for votes. Thus far, the ministry, in return, has been heaped with praise. All were given consideration, especially those from Minas Gerais. In fact, 80 percent of the meetings held by both the former minister, Eliseu Resende, and the current one, Cloraldino Soares Severo (former director general of DNER [National Highway Department]), are with PDS politicians. Eliseu Resende, PDS candidate for governor of Minas Gerais, as a former cabinet member, has one privilege denied other politicians or candidates in the area: there is an order in the Transport Ministry that all investments made in Minas Gerais are to be announced by him. Eliseu continues to inaugurate roads. On Tuesday he inaugurated 17 kilometers paved on Highway BR-262, which includes the Minas Triangle, a fact that opposition politicians consider "irregular."

On 25 June the current minister canceled an inspection of the Steel Railway to meet with PDS politicians in his office. At the beginning of this week he announced he will withdraw 300 million cruzeiros from one of his ministry's projects to grant a request from the 4th Engineering and Communications Battalion to complete the Brasilia-Salvador connection.

The ministry and its agencies have 288 billion cruzeiros this year for investments, of which 29.2 percent--84 billion cruzeiros--are already earmarked: 7 billion cruzeiros for building the Tucuruí dam, 18.4 billion cruzeiros for Highway BR-364, which connects Cuiabá and Porto Velho, and 59 billion cruzeiros for the Steel Railway. The rest, 204 billion cruzeiros, is more or less available, but could be altered in keeping with PDS interests.

The Federal Savings Bank (CEF) is helping to attract the votes of married couples, voters who are not homeowners, and taxi drivers. Last month an extensive advertising campaign backed the CEF plan to return 380,000 wedding rings that were being held as collateral, relieving the debtors of having to repay their loans.

The strategy of opening registration for those interested in buying houses on the resale market also sought maximum impact. Over half a million persons signed up, although CEF budgetary appropriations of 35 billion cruzeiros will not take care of more than 7 to 8 percent of the applicants.

During the next few days the taxi drivers will have their turn. The CEF will help drivers buy taxis at a 45 percent discount from the vehicle's ceiling price, with 24-month financing at 6 percent a month and a down payment of only 20 percent of the car's price.

The Bank of Brazil is awaiting the approach of elections to begin financing the Fund for Development of Cooperative or Community Rural Infrastructure Programs (FUNDEC), with release of funds at subsidized interest rates for small communities of 500 to 5,000 inhabitants. This fund will complement the Municipal Assistance Program (PAM) launched by Interior Minister Mario Andreazza to provide funds for municipalities with more than 5,000 inhabitants.

For political reasons, the Central Bank rushed through without any examination of its implications an extensive program for simplifying rural credit, dispensing with plans previously considered essential for controlling subsidized funds for agriculture and livestock such as expense budgets, proof of purchase of inputs and machinery or use of certified seeds.

During coming weeks the Central Bank and the Ministry of Education and Culture will exploit politically the use of some 6 billion cruzeiros collected through the fines charged on bad checks for preparing school materials, especially for those served by the Brazilian Literacy Movement (MOBRAL).

Paraná Distributes Soccer Balls; Bahia Subsidizes Food

From north to south, state governments and the federal administration are working on behalf of the PDS candidates. In the states of Rio de Janeiro and Pará, where the governors are from the PMDB, there is a veritable duel between the two administrative machines. In the other states, the federal and state governments are allied against the opposition candidates.

Rio de Janeiro is divided between the followers of Governor Chagas Freitas and the PDS. After losing ground, the federal government took away from the PMDB the municipalities considered national security areas, began to release Interior Ministry

funds to the mayors most loyal to the PDS and even "Amaralism," a faction led by Senator Amaral Peixoto, was reborn in the interior of the state, aided by appointments by federal agencies located there.

In the former style of Adhemar de Barros Filho, Governor Chagas Freitas divided the state and the city of Rio de Janeiro into areas distributed equitably among reliable politicians. In each of them the person in charge is an elected deputy or candidate who controls jobs, favors and small works projects. Scholarships, employment opportunities, water fountains--everything, in fact--is done to attract votes.

The state of Para is divided between two governments: the official one of PMDB Governor Alacid Nunes and the "parallel" one of Senator Jarbas Passarinho. Alacid's followers complain that the federal government cut many funds previously spent through state agencies and now appropriated directly by the federal administration, dominated by the Passarinho faction. Neither the state government nor the municipality of Belem has had many construction projects, according to the PMDB, due to lack of funds.

But the "Jarbists" have charged that three special advisers of the governor set up their election headquarters in the governor's mansion, where they are paid in their official capacities at the same time they are conducting their respective election campaigns. All projects of the state government are used to benefit PMDB candidates.

The Parana government makes use of soccer for the election campaign and every week soccer shoes, uniforms and balls are distributed among amateur and sandlot soccer teams throughout the state. Trucks loaded with sporting goods arrive daily at the state Sports and Cultural Secretariat depot. Never has there been such an interest in sports. The state government's mass-media agencies are at the service of the PDS candidate for governor; state employees are working on his campaign committee, and even the state courts are being used to promote candidates of the official party, especially the son of the state's chief justice, Appeals Court Judge Heliantho Camargo, who is a candidate for state deputy.

In Rio Grande do Norte, the candidate for governor is the cousin of the incumbent and anything goes. The Justice Secretariat and the state's development bank are used, respectively, as headquarters for the the PDS and for Agripino Maia's campaign committee. Vehicles and aircraft of the local government are used in the official party's campaign and Deputy Carlos Alberto, candidate for reelection, has his office in the local headquarters of the Brazilian Welfare Legion (LBA), whose director is a relative.

In Bahia, for 2 years the government has operated only for the sake of the elections, mainly for the ambition of Governor Antonio Carlos Magalhaes to win the elections by a wide enough margin to establish him as a civilian option for president of the republic. The Bahian Food Company was created to administer the "people's basket," a program for selling foodstuffs at subsidized prices that has become the vanguard of the PDS campaign.

The state bank, whose president, Cleriston Andrade, is the candidate for governor, created 185 new agencies throughout the state, many operating at a loss, and intends to inaugurate 30 more by November. Official publicity dominates the Bahian press

and last year the state government alone spent 1.6 billion cruzeiros in producing and distributing advertising matter.

Even distribution of water to drought refugees is run by candidates of the official party, who favor their own ward bosses and most loyal voters, although they use tank trucks from SUDENE [Superintendency for Development of the Northeast] and local administrative agencies. The same criterion is applied in selecting job applicants at the work fronts created by the federal government.

The most serious accusations of administrative abuse in Pernambuco come from the backlands. The mayor of Salgueiro defected to the PDS in exchange for control of half the jobs on the work front, 11 positions in municipal administration and loans for building dams and reservoirs on property owned by fellow party members. In Afranio, 887 kilometers from the state capital, the price for the PMDB mayoralty candidate's joining the PDS was 2,000 free hours of bulldozer time.

In Maranhao, former governor Joao Castelo continues at his post unofficially, having prevented the state press from officially announcing his departure from that office by delaying publication of the DIARIO OFICIAL for over 30 days. According to charges, he diverted funds earmarked for agricultural projects so he could build the "Castelao [literally, big castle]" soccer stadium in Sao Luiz. His campaign also has a program for distributing food to the poor at token cost.

Rio Grandedo Sul Uses Social Security

In Rio Grande do Sul, vehicles of public enterprises transport PDS ward bosses and official party candidates have bought up all the advertising space in the state's newspapers for the day before election, including front pages. Every branch of the government is working on the election, although the groundwork was laid for the PDS a long time ago by Jair Soares, its gubernatorial candidate, who handed out Social Security funds in nearly all municipalities of the state.

While in Sergipe up to 2 percent is deducted from salaries of top-level state officials, to be used by the PDS, in Ceara gubernatorial candidate Luis Gonzaga Motta was not at all uncomfortable about using the polio vaccination campaign for his own purposes. The vaccinators wore shirts with his picture and his name.

In Mato Grosso, even electrical hookups made by CEMAT [Mato Grosso Electric Power Company] are accompanied by a card introducing the PDS candidates. Public employees are used to publicize candidates of the government party and even local businessmen were courted by the PDS through the governor's decree relieving ICM [tax on movement of merchandise] debtors of interest, monetary correction and fines.

Governor Pedro Pedrossian of Mato Grosso do Sul, in turn, didn't think use of state aircraft, automobiles and tractors, as well as the low-cost food program "Panelao [literally, large kettle]" were sufficient for his campaign. He is now arranging a foreign loan of \$20 million to be used exclusively for the election campaign.

In Minas Gerais the DNER field offices and funds appropriated for highway construction and paving are the main base of support for candidate Eliseu Rezende, who has vehicles at his disposal, state employees at his service and an ample highway advertising campaign.

Santa Catarina's official vehicles have exchanged their white license plates for yellow ones and are at the full-time service of PDS candidates. Ex-governor Jorge Bornhausen, candidate for the Senate, is the principal beneficiary of the official machinery, which includes the efficient publicity service of the governor's palace.

In Espirito Santo, PMDB candidates estimate that over 9,000 patronage appointments have been made since the first of the year, including ward bosses and friends of PDS candidates. In Cachoeiro do Itapemirim, Deputy Teodorico Ferraco has appointed about 800 persons.

Relatives of Governor Eurico Rezende are among those appointed in the Health Secretariat, which employs his cousin Jose Rezende Vargas and his granddaughters Renata and Liane, among others. It is also charged that drivers licenses are being given out free of charge, without any proof or examination, to persons recommended by Col. Jorge Devens, former DETRAN [Traffic Department] director and candidate for the Legislative Assembly.

Maluf Begins to Irritate PDS Candidates

PDS campaign expenses in Sao Paulo are the highest in the nation. There is abuse of administrative machinery such as never occurred before in the state's history; misappropriation of public funds has never been so voracious and there is a policy of political appointments and favors. But, despite the wasteful spending, the silent wrath of the party's candidates for the Chamber of Deputies mounts constantly before the steamroller of former governor Paulo Maluf, who is turning everything to his own advantage in a desperate effort to receive enough votes to be at least equivalent to a majority vote.

"Why didn't he run for the Senate, where he would be the only candidate, if he wants to give a demonstration of his electoral strength?" complained a candidate for re-election. "He didn't even want a multi-candidate slate. He knows his dream would run a serious risk of being buried by the opposition in a two-man race."

Another representative of the party leadership said that even "for Armando Pinheiro, chairman of the regional directorate, a state deputy who is running for the federal chamber, with all his prestige, it will be hard to get 70,000 or 80,000 votes." For the most part, Sao Paulo PDS candidates for the Chamber of Deputies feel betrayed by the ex-governor, who had promised to campaign only in Greater Sao Paulo and decided to extend it throughout the state, "using every type of pressure and extortion." One of them recalled that shortly after he made this promise, during the visit of the mayor of a small town in the state's interior to the new governor, Jose Maria Marin, federal deputy candidate Paulo Maluf, "who still has his office in the governor's palace and still retains all his power in the administration, was already demanding: 'Look, there are 7,000 voters in your town; you have to guarantee me at least 5,000 votes there.'"

According to most government candidates for the Chamber of Deputies, the ex-governor "is not bringing in any votes; he is splittling the votes the party already has." For that reason they feel they will have to "fight over the crumbs, the votes left over from Maluf."

The chief of the civilian household, Calim Eid, PDS campaign coordinator, in turn, confirms that "some of the candidates for federal deputy are worried; but there is no cause for concern." According to him, "the votes that Maluf takes away from the stronghold of any other candidate will not be very significant." He contends further that, "besides filling in all the gaps, Maluf will make everyone work harder."

Believing that the PDS will elect at least 40 deputies from Sao Paulo, "applying the electoral coefficient to the total votes the party receives, if Maluf gets a heavy vote--and he will--he will be adding to the ticket and not dividing." For this reason, the chief of the civilian household, who does not seem very worried about how many votes the other candidates will receive, simply recommends that they "try to finish among the leaders."

Beyond that, Calim Eid also believes that "Maluf will have a heavy vote where they would not have any." He further points out: "I disagree that Maluf is dividing the PDS vote. He left not a corner of this state without some kind of public works. This is bound to bring him dividends, and will make the pie bigger."

"The candidacy of Paulo Maluf for the Chamber of Deputies is a stimulus to the other candidates," the civilian household chief continues. "What I recommend is that they work hard so as to place among the first 40." According to him, Maluf's candidacy "brings an unquestioned advantage for the Legislative Assembly; besides, he would never have given up 10 months of his term as governor if it were not to help the party," which, in his opinion, should be viewed "as an act of unselfishness," even "a sacrifice."

Nevertheless, the candidates who refute the arguments of the PDS campaign coordinator, many of them running for reelection and with experience from other campaigns, feel that "no matter how impressive Maluf's vote is, it will not carry another three or four candidates on his coattails."

Everything for His Own Image

In any event, all means of pressure, artifice, persuasion and compulsion have been and continue to be used, transforming the state government into a vast apparatus devoted almost entirely to promoting the ex-governor's image. From the first days of his administration until the present, when he has become a persistent visitor to Bandeirantes Palace and the residence of Jose Maria Marin, Paulo Salim Maluf has achieved the purpose that seems to have been his basic goal: to make an appearance no matter what the means or manner.

As soon as he took office, he began showing the principles he had chosen to guide his administration: he appointed over 100 former ARENA [National Renewal Alliance] delegates who had voted for him to fill a great variety of positions in the state government and mixed-economy enterprises. And at the most recent convention, which chose his candidate, Reynaldo de Barros, to run for governor in November, a PDS delegate, a supporter of Laudo Natel, even showed his working papers recording a job he had obtained a few days before in SABESP at a salary of 200,000 cruzeiros per month in exchange for his vote for the ex-mayor of the state capital.

Just recently the PDS bought 410 Passat automobiles in a transaction in which there were no numbers or figures, to resell them to two car-rental agencies, which leased

them to the party for its candidate's campaign for governor. Although the campaign coordinator himself has confirmed the transaction, some party leaders say that the "number of vehicles purchased is really much more than what was revealed." In any event, the transaction amounts to more than 650 million cruzeiros, based upon a price of 1.6 million cruzeiros per car. But the civilian household chief says it was "a very good deal."

During his 3 years as governor, Paulo Maluf has also added other titles, such as the governor who spent the most on allowances for himself and persons he considered important to his political career. Nearly every weekend there were deputies and senators from other states staying in the city's best hotels at the Sao Paulo taxpayers' expense. The deputies and senators make up the Electoral College that in the indirect system chooses the president of the republic. These and other favors resulted in formation of a group of congressmen who became known as the "Maluf bloc." Maluf hopes, through these means, to be chosen president of the republic in 1985. In the midst of all this manipulation of the administration, he even guaranteed the Lapa Municipal Fish Market concession for the FRIMAR company, owned by a senator from Goias.

8834

CSO: 3001/194

GOVERNMENT LEASING TRANSFORMS INTERNATIONAL TRANSACTIONS

Sao Paulo VEJA in Portuguese 7 Jul 82 p 105

[Text] Suffocated by the nation's colossal foreign debt and meeting constantly increasing barriers to a favorable balance of trade, Brazilian government authorities are beginning to seize upon a new device to meet their international financial commitments. It is international leasing. Through it the government can buy equipment abroad without adding to the import figures, while being able to export products that, in practice, never leave Brazil. "It's really easy when you know how," enthusiastically asserts Henrique Campos Meirelles, president of Boston Leasing, a subsidiary of the Bank of Boston. The transactions will be accelerated in coming months, with regulation of export leasing, especially the form called lease-back--a transaction of simultaneous selling and leasing of the same product--which will be combined with import leasing, the only alternative now authorized by the Central Bank. "The official draft of the bill is now ready," reveals the chief economic adviser of the Finance Ministry, Mailson Ferreira da Nobrega.

Essentially, it is a lending operation, but one that permits favorable accounting for trade-balance effects. A Brazilian firm, for instance, can sell abroad some industrial equipment it is using in its normal line of production, without the product being shipped abroad. This is because, right after "exporting" it, this same company leases it from the purchaser. In this case the transaction appears as an export in the government's accounts.

The demand for this type of transaction is now great due to official control of domestic credit. "I have over 20 contracts right here ready to go," reveals Gilberto Prado, president of Manufacturers Hanover Mercantile Leasing, the nation's largest firm in the sector. "There's a great deal of interest in the market," confirms Stefan Barbu, vice president of Citicorp Leasing, subsidiary of Citibank.

New Cosmetic

Of the transactions already approved by the Central Bank, the largest is in reference to 11 oil-drilling platforms, between Petrobras and the Bank of Brazil, 2 of which are to be produced domestically. Petrobras ordered the two platforms from Verolme and Ishibras and sold them to the Bank of Brazil leasing company set up in the tax haven of Grand Cayman in the Caribbean. In this way CACEX [Foreign Trade Department] accounted for \$94 million of "exports." Both platforms, however, remain firmly anchored off the Brazilian coast--after buying them, the leasing company in Grand Cayman leased them back to Petrobras.

The other nine platforms, in turn, are being produced abroad and would have been accounted for as normal imports during the next 2 years, explains Delio Osorio of the Petrobras financial service. With the Bank of Brazil's leasing company's arrival on the scene, however, the platforms will be leased and \$730 million will disappear from the nation's import account. As a cosmetic device, the good effect of this type of transaction appears only in the short-term foreign accounts. In the case of exports with lease-back, ownership of the leased equipment becomes controlled abroad. In the case of replacing imports by leasing, the problem of paying foreign exchange is left for the future. But this will be the problem of whoever has to pay for such leasing in the future.

8834

CSO: 3001/194

POLL PROJECTS NEVES, PINTO VICTORS IN BELO HORIZONTE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Jul 82 p 4

[Text] Senator Tancredo Neves, who heads the Brazilian Democratic Movement Party (PMDB) ticket for the governorship of Minas Gerais, would win the contest to succeed Governor Francelino Pereira in Greater Belo Horizonte if the elections were held today. In the contest for the senate, however, the Social Democratic Party (PDS) ticket would win with the candidacy of Deputy Magalhaes Pinto.

That is the conclusion of the poll conducted by the Brazilian Institute of Public Opinion and Statistics (IBOPE) on 26 and 27 June in the 14 municipalities that make up Greater Belo Horizonte and which represent about 25 percent of the electorate of Minas, estimated at 6 million. According to the IBOPE poll, Tancredo would get 45.4 percent of the votes of the Greater Belo Horizonte voters, while Eliseu Resende, the PDS candidate would be in second place with 36.2 percent.

In the senatorial contest, Magalhaes Pinto would get 36.8 percent of the votes of the Greater Belo Horizonte voters, while Senator Itamar Franco, candidate for reelection for the PMDB, would get 32.2 percent. Adding up the votes of the substate [sublegenda], the PDS ticket would get 42.2 percent of the votes, computing the figure of 5.4 percent for the other candidate for the senate, Joao Marques de Vasconcelos, the current vice governor of Minas. The PMDB would get 34.8 percent, adding the votes of the Simao Cunha substate (2.6 percent).

IBOPE used 500 questionnaires divided among Belo Horizonte, Betim, Contagem, Nova Lima, Santa Luzia, Ibirite, Pedro Leopoldo, Raposo, Ribeirao das Neves, Rio Acima, Vespasiano, Caete, Lagoa Santa and Sabara.

Eliseu Expects To Keep Former Foreign Minister on Ticket

The PDS candidate to succeed Governor Francelino Pereira, former Minister Eliseu Resende, is going to wait for Deputy Magalhaes Pinto at Pampulha Airport today, having in hand the poll ordered by the party from IBOPE which shows that the former foreign minister is the popular choice in Greater Belo Horizonte in the contest for a senate seat.

That information was given to JORNAL DO BRASIL by two of Eliseu's aides. Three influential PDS leaders confirmed it last night and added that the candidate ratified at the party regional convention on the 20th for the Minas gubernatorial contest will make a last appeal to Magalhaes between today and tomorrow to remain on his ticket.

In Rio yesterday, Magalhaes did not want to comment on the result of the IBOPE poll revealed by the company's executive director, Carlos Augusto Saade Montenegro. A friend of Magalhaes' revealed that he already had the figures in his hand since the night before last, and observed that, although he is comforted by the results of the opinion poll, the former foreign minister continues to feel aggrieved over the results of the Minas PDS convention, where he received 57 votes less than Vice Governor Joao Marques, who completed the dissident ticket presented by Murilo Badara, as candidate for the senate.

According to the same friend, Magalhaes will give Eliseu a reply--whether he will continue or abandon the senatorial contest--by the end of the week. The informant confirmed that Magalhaes has been receiving strong pressure lately from his family to abandon the contest for the senior post and limit himself only to running for reelection to the chamber of deputies. According to the same friend of the former governor of Minas, the strongest pressures are coming from his sons. They are irresistible pressures, said the informant.

The IBOPE poll conducted on the 26th and 27th, when the PMDB was unfolding its regional convention to ratify the candidacies of Tancredo Neves and Helio Garcia for governor and vice governor, and those of Itamar Franco and Simao Cunha for the senate, would give Magalhaes a comfortable victory in Greater Belo Horizonte if the election were held today.

In the 14 municipalities polled, Magalhaes received 36.8 percent of the popular choice, followed by Itamar Franco of the PMDB, with 32.2 percent. Joao Marques of the PDS, who defeated Magalhaes in the party regional convention and gained Subslate-1, would only get 5.4 percent of the votes. Itamar's subslate running mate for the PMDB, Deputy Simao Cunha, would not get more than 2.6 percent. In the area polled by IBOPE, 11 percent of the voters polled would not vote for any of the four candidates already announced for the Senate; 10.2 percent do not yet know who to vote for; and 1.8 preferred not to express an opinion.

Minas voters between 18 and 28 years of age in Greater Belo Horizonte would give Magalhaes 42.3 percent of the votes today, against 32.9 percent for Itamar. And those over 50 years of age would vote for Magalhaes.

Magalhaes Pinto would beat Itamar, according to the choice of the women, by 41.4 percent to 27.9 percent. But he would lose among the men by 36.3 percent to 32.4 percent. The people in the lowest income level in the area polled--up to 44,000 cruzeiros per month--would also give more votes to Magalhaes than Itamar, namely, 41.1 percent against 27 percent. Only the people who earn more than 144,000 cruzeiros per month would give more votes to Itamar, in a ratio of 42.6 percent to 27.9 percent.

Tancredo Recovers Popularity

If the elections were held today, Senator Tancredo Neves would win the election for governor in Greater Belo Horizonte. His candidacy having been secured by the PMDB, he again surged as a choice of the electorate of Greater Belo Horizonte, with 45.4 percent, recovering from the sharp drop in popularity that occurred between November 1981 and February of this year, when it dropped from 30.3 percent to 26.4 percent, a period that coincided with the process of the merger of the defunct Popular Party (PP) with the PMDB.

The former minister of transportation, Iliseu Resende, whose candidacy to succeed Governor Francelino Pereira was launched by the PDS on 10 May, would come in second with 36.2 percent of the votes, according to the IBOPE poll. The candidate of the Workers Party (PT), Sandra Starling would come in a very distant third, with only 2.6 percent, and in fourth place, the Democratic Workers Party (PDT), Teotonio Santos Junior, with 0.6 percent. The number of undecided was 15.2 percent.

Recovery

The candidacy of Tancredo Neves for the governorship of Minas was ratified by the PMDB at the regional convention held last Sunday. In November 1981, when he was still the candidate for governor for the defunct Popular Party, Tancredo held the leadership in Belo Horizonte with 30.3 percent, according to a poll conducted by IBOPE at the time.

With the merger of the PP with the PMDB, Tancredo for the first time lost the leadership in Belo Horizonte to the former mayor of the capital, Mauricio Campos, who also vied for the official nomination as candidate for the governorship of the state for the PDS, dropping from 30.3 percent to 26.4 percent, against 31.3 percent for Mauricio Campos, according to another poll conducted by IBOPE in February of this year.

In that poll, Eliseu Resende emerged in fourth place, with 4.5 percent, when he was still vying for the official nomination of the PDS with three other candidates: Mauricio Campos, Murilo Badaro and Bias Fortes. Now, less than 2 weeks after defeating Senator Murilo Badaro at the PDS convention, Eliseu Resende scores 36.2 percent in the choice of the voters of Greater Belo Horizonte, 9.2 percent below Tancredo.

Results

The poll was conducted on 26 and 27 June, and represents about 25 percent of the estimated 6 million voters this year in the electorate of the 14 municipalities in the region of Greater Belo Horizonte. Five hundred voters were polled: 51.2 percent male and 48.8 percent female. The tabulation is made according to three family income levels, five age groups and three levels of education.

Eliseu Resende beat Tancredo only among the voters over 50 years of age, according to the results of the IBOPE poll. In this age group, Eliseu was preferred by 41.8 percent of the voters, against 39.2 percent for Tancredo. Among the youth, in the 18 to 24 year group, Tancredo leads with 43.6 percent followed closely by Eliseu, with 41.6 percent. In the following age group, from 25 to 29 years of age, Tancredo widens his difference over Eliseu by 19.5 percent, getting 46.3 percent against 26.8 percent given to the PDS candidate.

The PT candidate, Sandra Starling, made her best showing among the youths from 18 to 24 years of age. In that bracket, she received 4.7 percent but did not get any votes among the voters over 50 years of age. The PDT candidate, Teotonio Santos Junior got votes only among the voters 25 to 29 and 30 to 39 years of age. In the first group, he got 2.4 percent and in the second, 0.9 percent.

According to the poll, the greatest number of undecided was among the voters between 40 and 49 years of age, with 13.7 percent.

Sex and Income

At 72 years of age, Tancredo Neves has a clear advantage over Eliseu Resende among the women voters. The PMDB candidate was the choice of 48.4 percent of the women, against 32.4 given to Eliseu. The greatest number of undecided is also among the women--16 percent (adding up the columns: None of the above, Do not know, and No opinion). The PDT candidate, Teotonio Santos Junior, was not mentioned by the women and the PT candidate, Sandra Starling, got 3.3 percent.

Tancredo also led among the men, with 42.6 percent against 39.8 percent given to the PDS candidate.

Among family income levels, Tancredo is the far-out leader among the voters who earn up to 44,000 cruzeiros, with 49.7 percent of the voters' choice against 28.8 percent given to Eliseu Resende. In the following group, which goes up to 144,000 per month, Eliseu practically cancels the difference, being only 0.5 percent below Tancredo. In the last group, over 144,000, Tancredo again moves away, with 45.7 percent against 37.2 percent for Eliseu. The greatest number of undecided is among those who earn up to 2.7 minimum wages, with 19 percent.

The greatest percentage gained by the PT candidate, Sandra Starling, was among the voters with the highest income, with 3.1 percent. In that income bracket, the PDT candidate did not receive any points.

Levels of Education

The best performance of the PT candidate, Sandra Starling, was among the voters with a college education, with 4.6 percent. The PDT candidate did not get any points in this group. The greatest number of undecided was among the voters with primary-level education, with 18 percent.

Voters Prefer the PMDB Party Ticket

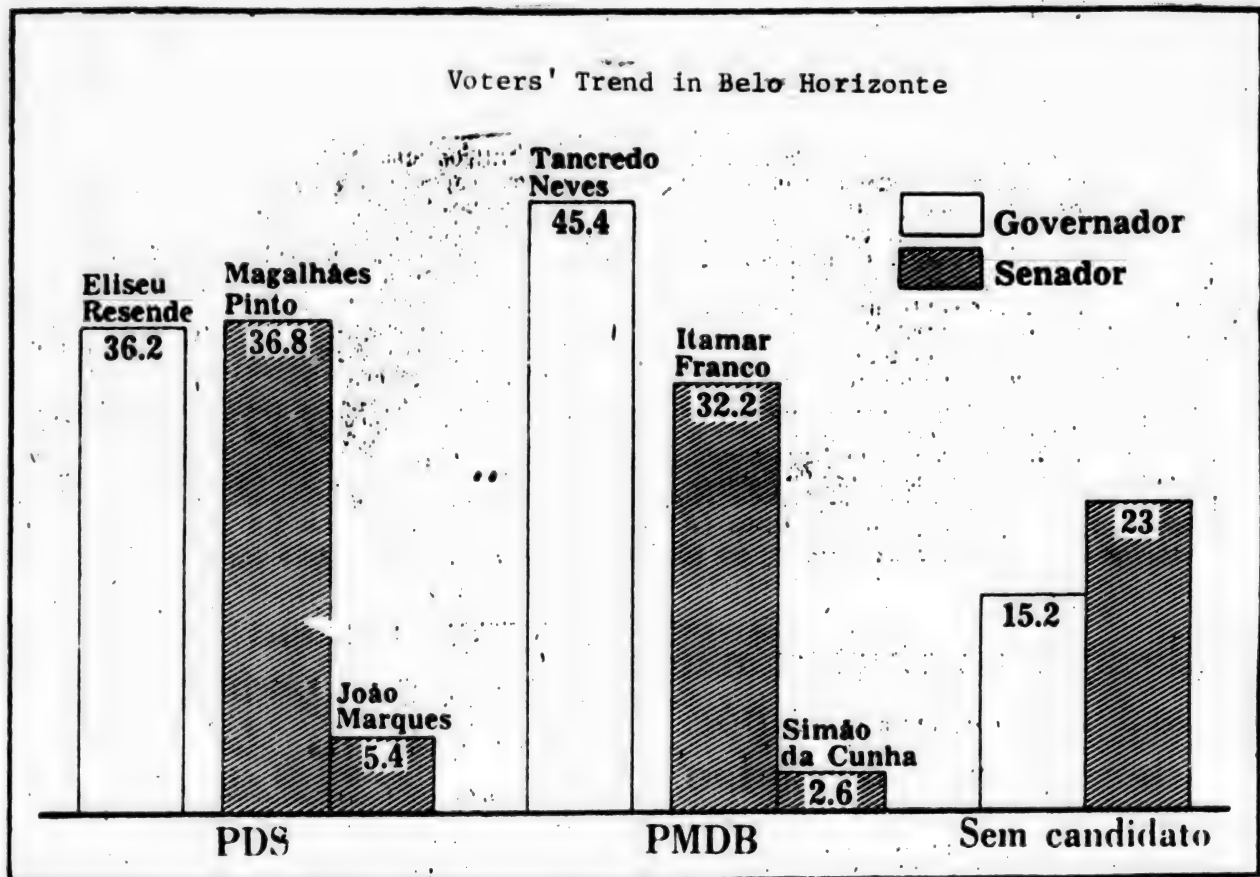
The PMDB party ticket is the most appealing and popular for the voters of Greater Belo Horizonte, according to the results of the IBOPE poll. The PMDB emerges with 43 percent; the PDS comes in second place in the preference of Minas voters, with 23.6 percent. The PT is the third most popular party label, with 10 percent. The fourth is the Brazilian Labor Party, with 6.6 percent, which has not yet launched a candidate for governor. The last is the PDT, with 0.4 percent.

The PMDB is the party preferred among the women, with 46.3 percent, followed by the PDS, with 18 percent. In third place, comes the PT with 10.7 percent. The PMDB is also preferred among the men, with 39.8 percent, but the difference diminishes for the PDS, with 28.9 percent. In the family income brackets up to 44,000 cruzeiros, the PMDB was the choice of 44.2 percent, while the PDS got 16.6 percent. In this bracket, the PTB made its best showing until now, with 11.7 percent.

The PDS gets a response among the voters in the family income bracket from 44,000 to 144,000 cruzeiros; the difference has decreased appreciably, but the PMDB continues to lead, with 42.3 percent against 27.9 percent given to the government party. In this group, the PT was the choice of 10.6 percent of the voters.

But it is among the group of those who earn over 144,000 cruzeiros that the Workers Party makes its best showing, with 13.2 percent. In the first place comes the PMDB, with 42.6 percent, followed by the PDS, with 25.6 percent. The best showing made by the PDT is in this group of voters, with only 0.8 percent.

Among the voters 25 to 29 years of age, the PMDB is the far-out leader, with more than twice the difference over the total obtained by the runner-up, the PDS. The PMDB has 52.4 percent against only 17.1 percent received by the PDS. In the younger voter group, from 18 to 24 years of age, the PT made its best showing with 14.8 percent, while the PMDB, in first place, drops to 46.3 percent, and the PDS rises to 24.8 percent.



Tancredo would defeat Eliseu and Magalhaes would win over Itamar in Greater Belo Horizonte

8711

CSO: 3001/188

CNI COUNCIL SCORES GOVERNMENT ECONOMIC POLICY

Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Jun 82 p 17

[Article by Jose Carlos de Assis]

[Text] Rio--Severely criticizing the conduct of economic policy, the council of representatives of the National Confederation of Industry (CNI), which met yesterday, expressed its dissatisfaction over the fact that the government has ignored its ideas and suggestions for regulating the Finsocial [Social Fund] as well as earlier demands regarding measures for capitalizing national industry.

The council, comprised of the presidents or representatives of the 22 industrial federations in the country, is the supreme organ of the CNI. Only the presidents of the federations of Amazonas, Pernambuco and Sao Paulo failed to attend the meeting, but the latter two sent representatives. The acting president of the CNI, Senator Gabriel Hermes of Para, left the meeting impressed by the degree of dissatisfaction of the industrialists with the government.

The truth is that the businessmen did not hide their disappointment over the "lack of response" to its demands, all of them "well-thought-out and reasonable," as the president of the Rio Grande do Sul federation, Sergio Shapke, observed. With regard to the Finsocial, they expected that after being surprised with the decree, they could at least contribute with some suggestions for its regulation and they forwarded a document to the government containing nine specific items.

"The regulation was issued on the 22d by Decree 119 (of the Finance Ministry) and we discovered that none of our suggestions was taken into consideration," complained the vice president of the federation of Bahia, Adalberto Coelho, who feels simply "disappointed." He believes that the fault also lies in part with the businessmen, "who cannot simply forward a document to the government without having someone to follow it through. It is necessary to have a group of experts from the CNI in Brasilia, ready to give the necessary explanations."

In its document that was completely ignored by the government, the CNI asked that the Finsocial assessment not be applied to the gross sales but to the

net sales of the companies; that companies in a situation of receivership or bankruptcy be exempted; that sales pertaining to supplies to those companies in receivership or bankruptcy be excluded from the basis of calculation; that the very small companies be excluded from the list of taxpayers.

In addition: that the sales of basic materials intended for export products be exempted from application of the assessment; that the collection of the taxes on sales pertaining to supplies to the government or public enterprises might be made at the time of the actual payment of those credits; exclusion of commercial transactions made by nonprofit organizations.

The president of the Federation of Industries of Bahia, Fernando d'Almeida presented a suggestion separately, which was similarly ignored, to exempt from the social tax companies that have confirmed losses last year and have not yet reached their balancing point.

Sergio Shapke observes that another reason for disappointment is the "insensitivity shown by the government for the suggestions of the CNI pertaining to the capitalization of national enterprise." He believes that this is an essential point of economic policy because "the greatest cost of the companies today is the financing cost. With the prevailing interest rates, they no longer have any margin to do business and soon, many of them will end up in receivership."

Encouragement of capitalization of national enterprise was the course indicated by the CNI (basing itself also on the work of former Finance Minister Otavio Gouvea de Bulhoes) to propose some relief from the financial burden of the companies without colliding with the monetary policy of high interest. But "that document too did not meet with any response from the government," complained the Rio Grande do Sul industrialist.

8711

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EX-TERRORIST ARRESTED FOR SELLING FALSE DIPLOMAS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jul 82 p 16

[Text] Franklin Delano Jose de Lemos, involved in an investigation with other persons who were members of the subversive Revolutionary Popular Vanguard, was arrested yesterday by investigators of the Political Order Division of the Department of Political and Social Order (DOPS) and charged with falsifying a public document. Franklin sold false first and second level diplomas and, according to the police, is a member of a gang that operates throughout the country.

When arrested, Franklin, who operates the Exato preparatory course at 324 Sao Joao Avenue, had in his possession five blank diplomas of the Antonio de Padua College, the Tijuca Course, and the Polytechnical Institute of Education, all in Rio de Janeiro. At his home on 1200 Luis Carlos Berrini Avenue, in Brooklin, police confiscated another 12 diplomas of the Osvaldo Bernardes da Silva First and Second Level School, in the city of Aparecida do Tabundo in Mato Grosso do Sul, which he sold at 50,000 cruzeiros each.

It was possible to find Franklin Delano after the interrogation of Walter Cantovitz, a 49-year old English professor who is involved in three investigations for the falsification of diplomas and who, when arrested, had in his possession 69 false course completion certificates in the name of the Teodoro Sampaio Institute of Education, in addition to dozens of rubber stamps of schools and school directors. Walter used to order the diplomas printed in two printing shops in the Pinheiros district and declared that Franklin was one of his principal resellers of false documents.

Franklin Delano Jose de Lemos, fat, long bearded, 35 years of age, and the father of six children, was armed when arrested, and in a brief case containing documents police found the contract for the purchase of another course for the school. "The money I am making," he said, "does not come from the sale of diplomas but from the Exato course, where I have more than 200 students." He said that he has been selling the false documents for 6 months and that he has already been arrested. "It was in 1970, when I spent 9 months at the DOPS, Oban and Tiradentes Prison. A friend, Benedito Antonio Ferraz, had left some valises in my house, saying that he would return in a few days, but it was the police that showed up. The valises contained explosives."

According to the Political Order Division of the DOPS, Franklin Delano is involved with a gang that operates all over the country selling false diplomas. Twenty purchasers, among them public employees, have already been identified and charged in Sao Paulo. The DOPS has a list of all the persons who purchased false documents from Walter Cantovitz and Franklin.

8711

CSO: 3001/188

EXPORTS NEAR \$11 BILLION FOR FIRST HALF YEAR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jul 82 p 28

[Text] The director of the Bank of Brazil Foreign Trade Branch (CACEZ) in Sao Paulo, Jose Carlos de Brito, estimated yesterday that Brazilian exports for the first 6 months must have totaled between \$10 and \$11 billion. To arrive at those figures, he extrapolated the results obtained during the first 6 months of the year by the Sao Paulo Center agency, whose transactions amount to 15 to 20 percent of the national total: \$1,894,200,000 in exports and \$1,154,800,000 in imports, with a surplus of approximately \$740 million.

But the figures for January-June are traditionally weak, Brito pointed out. For that reason, he sees better prospects for the second half, believing that the country is in a position to close the year with \$24 to \$25 billion dollars' worth of exports, at the minimum. "However, we cannot wait for the other countries to come here to make purchases. It is we who have to go there to sell," he emphasized. He added further that, according to the shipping permits released by the Sao Paulo Center agency, the best results were achieved by manufactured and semimanufactured goods, especially textiles, footwear and oils derived from seeds.

The CACEX director gave that information to the press before giving a talk at the Commercial Association of Sao Paulo on the subject, "Aspects of the American Economy and New Opportunities for Brazilian Exports to the United States," addressed to the representatives of chambers of commerce.

In the talk, he emphasized that the measures adopted by the U.S. Government as of 1 July to fight the recession--reduction of the income tax rates for physical persons, changes in social security, updating the amounts of allowances and retirement pensions, and the reduction from 20 to 18 percent per year of the interest on home mortgages, will permit the injection of \$4.5 billion a month into consumption, especially of durable goods, favoring Brazilian exports.

Free Zones

Thanks to that and other mechanisms not exploited by the exporters, Brazil is in a position in the medium term to double its sales to the United States

which last year reached \$1.8 billion, he declared. Among the other mechanisms, Brito highlighted the use of "foreign trading zones"--sort of free trade zones--a total of 80 of which exist in ports, airports and cities inside the United States. "They are much used by our competitors from Korea, Taiwan, Japan and Hong Kong but practically ignored by Brazilian exporters," he pointed out.

In addition to permitting the stocking and handling of merchandise, those "free zones" make it possible to reduce customs duties inasmuch as assembling and packaging of the products can be done on the spot. The CACEX director believes that Brazil should also appeal to the U.S. consumers associations by exporting good quality products.

At the same time, Brito reported that the government may release, perhaps even today, an expansion of the list of products the export of which can be financed by the Export Financing Fund (FINEX) with interest rates of 8 to 10 percent per annum.

8711

CSO: 3001/188

URUGUAYANS IN EXILE SEEK MONGE'S HELP

PA271647 San Jose LA NACION in Spanish 18 Jul 82 p 4A

[Text] Juan Raul Ferreira, the exiled leader of the Uruguayan National Party, has met with Costa Rican President Luis Alberto Monge to ask for support from Costa Rica's democratic government in the various international forums.

The meeting was held at the presidential house. According to Ferreira, he specifically asked Monge for Costa Rica's support in approving a resolution condemning the Uruguayan Government that will be discussed soon by the UN Committee on Civic and Political Rights, of which Costa Rica is a member.

Ferreira reported that in the last few months he has been engaged in an intensive campaign of visits to democratic Latin American heads of state and leaders. He recently met with Panamanian President Aristides Royo, Peruvian President Fernando Belaunde and Ecuadorean President Oswaldo Hurtado.

He also announced that he will travel to the Dominican Republic next month as a special guest at the inauguration of Salvador Jorge Blanco, the next Dominican president.

Ferreira asserted that the government that was established in Uruguay after the 1973 coup offers no chance to the democratic opposition groups. "There is no freedom of the press; as a result, the Uruguayan people are not permitted to learn about the true disaster represented by the current administration."

The leader of exiled Uruguayans said that he trusts that the next UN General Assembly, which will begin on 15 September, will issue a resolution condemning the Uruguayan Government for its violation of human rights.

Ferreira also talked about the Uruguayan Government's farcical announcement of elections. The only reason for these elections is to change the government's image abroad, since any participation by the leftist parties and the Christian Democrats has been prohibited.

Ferreira left Uruguay in 1975 and the government has not allowed him to return since then. However, he was able to enter and leave the country secretly on 27 June, on the occasion of the anniversary of the 1973 coup.

CSO: 3010/2033

NICARAGUAN 'CAMPAIGN' AGAINST POLICE CRITICIZED

PA271419 San Jose LA NACION in Spanish 18 Jul 82 p 4A

[Text] A systematic plan designed to discredit the public security forces, involving two Nicaraguan officials, has been denounced by Col Oscar Vidal, director of the Civil Guard. He based his statements on recent declarations by Commander Humberto Ortega, Nicaraguan defense minister, who referred to an alleged militarization plan in the country and the supposed arrival this week of 50 South Korean military advisers.

Meanwhile, the Sandinist daily BARRICADA day before yesterday publicized the alleged presence of South Korean military instructors who will assist in antiterrorist training. Vidal criticized the stories from Managua, which he described as "speculative, misinterpreted and designed to discredit our Civil Guard."

He emphasized that such stories could complicate Costa Rican Government efforts to improve the police capabilities and equipment. Those efforts are part of the plans announced at the beginning of President Luis Alberto Monge's administration, he noted.

He pointed out that nothing, least of all stories such as those circulated in the Nicaraguan capital, will stop fulfillment of the promises to reorganize and obtain modern equipment for the police corps.

"The only thing that concerns the Costa Rican people at this moment is our tranquillity and social peace," he commented. That is why he expressed surprise at the information regarding the arrival in our country of South Korean military advisers. He said all that Costa Rica has received as a friendship gesture from the South Korean Government has been a donation of 20 radio patrol cars. He admitted that friendly nations such as Israel, Japan and the United States have offered police assistance, which has been accepted.

Every effort is being made to obtain advice on police matters, and he insisted that Costa Rica as a sovereign nation will resort to those countries it may consider convenient to obtain such assistance. "We shall continue our efforts to strengthen our public security forces," he pointed out.

Colonel Vidal said the government has the support of the Costa Rican people. "Nobody is going to be upset at the arrival of more patrol cars to improve our vigilance, he declared. He also said he will not turn down aid for training and providing equipment for the public security forces. This will, no doubt, result in benefits to safeguard the life and property of the citizens. In view of this, and although the reorganization of the functions of the authorities is exclusively for police and public service goals, Vidal did not discard the possibility that Sandinism may try to discredit our forces.

"With their subversive insinuations they try not only to discredit the government, but also to destabilize the country," Vidal commented.

"We shall be continually alert and prepared so that will never happen in Costa Rica," he concluded.

CSO: 3010/2033

VOLIO DISCUSSES PROBLEM WITH NICARAGUA

PA300000 Panama City ACAN in Spanish 1240 GMT 29 Jul 82

[Text] San Jose, 29 Jul (ACAN-EFE)--Costa Rican Foreign Minister Fernando Volio Jimenez yesterday discussed with the press the situation created by Nicaragua, which provoked the reciprocal expulsion of diplomats. Volio told newsmen that he was willing to travel to Managua immediately, in order to discuss the existing problems with Foreign Minister Miguel d'Escoto or any member of the government junta.

Volio insisted that Costa Rica had given ample evidence "of wanting good relations with Nicaragua," including statements of neutrality, respect for the Nicaraguan people's self-determination, pursuit of anti-Sandinist groups, and even the expulsion of Eden Pastora and his followers.

Then Volio asked: "What else must we do to convince the Nicaraguan Government that Costa Rica wants to live in peace." He said that by now Nicaragua should have understood the Costa Rican Government's wishes, including the fact that "even though we don't have an army, we are a nation with dignity."

Volio added: "We don't want our relations to deteriorate any further, and must do everything possible to normalize them, but on a reciprocal basis," stressing that "whatever happens from now on depends on Nicaragua."

Volio Jimenez said: "What interest could a small, peaceful and unarmed country like Costa Rica have in provoking a conflict with the most heavily armed country in Central America?" "It's not logical," he answered, adding: "Our mind is not intent on conflicts abroad, but on being able to work so we can emerge from the economic slump our country is in."

Volio also spoke about the problem created by the expulsion of the Nicaraguan diplomats, and denied that the police authorities might have beaten embassy attache German Altamirano. What really happened, Volio explained, is that Altamirano was arrested while "engaging in nondiplomatic activities. When the police approached him, he brandished a gun--he was carrying two--and attacked the police."

Volio said: "If Altamirano had been engaged in these (nondiplomatic) activities, nothing would have happened to him. He would not even have those bruises he sustained while struggling with the police."

He stressed: "We would like to behave like brothers, but must have reciprocal behavior by the Nicaraguan Government."

The foreign minister stressed: "We are not the ones who have caused this deterioration in the relations between the two countries. It is the Sandinists who are at fault, because they began the problems with their violations and lack of respect for our national sovereignty."

CSO: 3010/2033

MONGE URGES FORMATION OF AREA DEMOCRATIC BLOC

PA242212 Panama City ACAN in Spanish 2249 GMT 23 Jul 82

[Text] San Jose, 23 Jul (ACAN-EFE)--The decision of the Costa Rican National Security Council to promote the formation of a strong bloc of Central American and Caribbean countries has no military implications. Official government spokesmen told ACAN-EFE that this plan coincides completely with the idea expressed several times by President Luis Alberto Monge of achieving in the Caribbean "a great political integration that would also be economic and cultural."

When the Costa Rican president closed the Central American conference on commerce and development in Panama on 14 May he analyzed the dangers that threaten this democracy and described as an obligation of his government the successful solving of the crisis from which the region is suffering "because Costa Rican democracy has a singularly strategic value" in the Caribbean. The Costa Rican president told ACAN-EFE that "there are great dangers for the democratic institutional system," and he added that he is convinced of "the need for a powerful alliance of the democratic forces," such as the Central American Democratic Community proposes.

This community was created in this capital in February by the Honduran, Salvadoran and Costa Rican Governments and has recently expanded in San Salvador with Guatemala's entry.

According to President Monge, the need for a strong democratic bloc in Central America and the Caribbean is a necessity "to face the two dangers to democracy in the area." "There are some," Monge said, "who only see danger in the oligarchic military cliques, oppressors of the Latin American peoples; and others only see danger in Marxist-Leninist expansionism."

"We," President Monge continued explaining, "believe the two currents are equally threatening to the democratic institutional system. Therefore, we would seek to defend ourselves from both dangers, not to defend ourselves from one of them."

In his statements on the creation of a strong democratic bloc the Costa Rican president stressed that it should be based on the principles of international law, since Costa Rica "will not become involved in military conflicts because the people of Costa Rica would not accept this."

Monge recalled that "we did not even want to get involved with the military organization called the Central American Defense Council (CONDECA), an organization with which Costa Rica has never been affiliated, and with good reason: If we don't have an army, what business would we have in an international military organization."

A spokesman for the Foreign Ministry told ACAN-EFE that the plan for a Caribbean democratic bloc is an expansion of the Central American Democratic Community, but the matter is still at the "technical level" and a few days must pass before reaching the final stages.

President Luis Alberto Monge has been emphatic on the importance of an alliance of the peoples of mid-America because "with the unity of the Central American and Caribbean peoples, we can guarantee the peace of our peoples."

CSO: 3010/2033

BRIEFS

MONGE REITERATES COUNTRY'S NEUTRALITY--Our country's neutrality in the present conflicts in the Central American area, specifically in Nicaragua, has been reiterated by the president of the republic, Luis Alberto Monge Alvarez. The chief of state was pleasantly surprised by the U.S. Senate Foreign Relations Committee's approval of the Caribbean Basin aid plan. Monge referred to the latest events in Nicaragua, where there are frequent confrontations between the junta and its enemies. He also referred to the talks with the Honduran Government. The chief of state said that what his country desires is that the disagreements occurring presently in the Central American region be settled peacefully. He recalled that in the middle of the political campaign he warned that in case of conflict in the region his government would remain uncommitted and he would proclaim neutrality. He said that in order to achieve this the inter-American juridical system might be invoked. "Today," he said, "we proclaim that neutrality." [Excerpt] [PA271447 San Jose LA NACION in Spanish 18 Jul 82 p 4A]

STUDENTS AGAINST COMMUNITY--The University of Costa Rica Students Federation has asked President Luis Alberto Monge and Foreign Minister Fernando Volio to withdraw the country from the Central American Democratic Community [CDC], according to (Ricardo Castro), president of this federation. The university students are demanding the withdrawal of Costa Rica from the CDC, arguing that our nation must not be part of an organization that includes totalitarian military regimes such as those in Guatemala and El Salvador. The university students claim that they have been expressing their opposition to this situation since the CDC was created, during the previous administration, because of the participation of El Salvador, and now that Guatemala is participating also, they believe that Costa Rica must withdraw from that organization. [Text] [PA271451 San Jose Radio Reloj in Spanish 1200 GMT 27 Jul 82]

ITALIAN AID MEMORANDUM--This afternoon a memorandum of understanding on economic and technical aid was signed with three Italian deputies. The memorandum of understanding covers economic and technical cooperation in the fishing, dairy and meat sectors; in the marketing of agricultural produce; and in a technical assistance training program and might represent an expenditure of up to \$10 million for Italy. [PA262020 San Jose Radio Reloj in Spanish 0100 GMT 21 Jul 82]

CSO: 3010/2033

REAGAN'S CHIEF POLITICAL ADVISERS CRITICIZED

Havana VERDE OLIVO in Spanish 24 Jun 82 pp 14-15

[Commentary by Elpidio Valdivia: "Who Are Ronald Reagan's Men?"]

[Text] Current United States Secretary of Labor Raymond Donovan is in a serious situation because of his proved links with the world of the Mafia.

The French press agency AFP commented last Thursday from Washington that the situation for the head of the Justice Department "has grown increasingly difficult," at the same time that "many voices were being raised in Congress asking for his resignation."

Union leader Mario Montuoro during late 1981 accused Donovan of having participated in bribing labor leaders having close ties to so-called "organized crime."

According to Montuoro, 4 years before Reagan's current secretary of labor attended a luncheon where the head of the Schiavone construction company (of which Donovan was vice president) handed \$2000 to a representative of the workers "so that he would not have any problems with his employees."

The denouncer added that another method used habitually to "neutralize" requests then consisted of giving buses and construction materials to members of the Drillers Union who would meet with employers to expound the workers' point of view.

On 17 December the WASHINGTON POST published some statements made by another American labor leader, Joyce Cole. According to those statements, the construction company that the current labor secretary worked for continually "bought" employee representatives.

According to his testimony, the Schiavone company would pay salaries to non-existent employees which, in reality, were going into the pockets of the union representatives.

Cole provided an example when he pointed out that one of the beneficiaries of that clandestine system (who had been imprisoned for other reasons) never stopped receiving his check on time within the narrow confines of his temporary home behind bars.

Donovan, in turn, accused his accuser of being a cheap junkie, a habitual criminal, and a despicable liar.

While being interviewed by newsmen in the auditorium of the Department of Labor, the secretary stated: "I have had it up to here with being intimidated by a man convicted of possessing heroin and lethal weapons."

Nevertheless, because of the proliferation of evidence, United States Attorney General William French Smith requested the appointment of a special prosecutor to study "the Donovan case."

Some months before--as if by twist of fate--French Smith himself went through an ordeal like that of Donovan, since he was also publicly accused of being involved in dirty dealings.

According to the charges made against the head of the Justice Department under Reagan, after having been appointed to his current post, a powerful California-based steel firm discreetly delivered to him a small, wax-sealed envelope containing \$5000.

With regard to the "Donovan case," last week it became a matter of public knowledge that a member of the Mafia--a key witness--"surprisingly" turned up dead. He was being interrogated by a special prosecutor appointed by the Bureau of Indictments of the state of New Jersey.

Moreover, international news agencies were reporting that investigators appointed by Congress to attend to the matter had received threats of what would happen to them if they followed the same course as the deceased underworld witness.

The intrigue got more complicated when Republican Senator Orrin Hatch revealed that President Ronald Reagan knew all about Raymond Donovan's background before naming him as labor secretary.

According to Hatch, who chairs the Senate Labor Committee on 12 January 1981 the FBI handed the President a written report agreeing in the minutest detail with the story that he has now exploited before American public opinion.

AFP and EFE dispatches said that in that document the FBI mentioned the "very close private and business ties" between Donovan and "known members of the Cosa Nostra," and it added that "this information was corroborated by confidential sources and independent interviews."

Senator Hatch limited himself to explaining that, in spite of everything, Reagan did not deem it necessary to communicate that information to Congress when the Senate hearings held to decide on the confirmation of the candidate for that post were begun.

The daily WASHINGTON POST pointed out in an editorial published a few days ago, when referring to the Donovan case, that "those who regularly rub elbows or do business with the underworld have no place in the presidential cabinet, especially when they must combat Mafia penetration into the labor unions."

On 14 December last year TIME magazine said that it had been 10 months since the U.S. Department of Labor had met with the labor union headquarters of the country--the AFL-CIO.

The president of that labor agency, Lane Kirkland, when referring to Donovan, said harshly that "I have heard about him only through the Federal Register." That is to say, the weekly list of changes in government policy.

The aforementioned publication underlines the fact that many of those changes, such as the cutbacks in Occupational Security and Health Administration programs and the loosening of the requirements for affirmative action for federal contractors, have irritated workers even more.

Lastly, TIME arrived at the moderate conclusion that the current U.S. administration "suffers from poor relations with the workers," an expression which reminded many of Reagan's ironic and cynical attempt to teach socialist Poland how to deal with labor unions.

The much talked-about "Donovan case" can be added to the list of scandals in which the starring roles have been played by ranking officials of Reagan's administration, which has been characterized not only by its intrinsic military aggressiveness, but also by the meager talent of its brains and the makeshift nature of most of its team.

And so, we can still recall the chapter on Max Hugel, the sewing machine improper who overnight became the director of the CIA's covert operations all over the world, only to fall amid a great uproar because of an avalanche of accusations of having been involved in "illegal business dealings."

The very head of the CIA, William Casey, was subjected to a thorough investigation by Attorney General French Smith when it came out that he had committed "certain irregularities" in an agricultural firm and had represented the government interests of two countries in Washington without registering himself as a "foreign agent."

When commenting on what happened to Casey and Hugel, the Spanish agency EFE said that "with two scandals that implicate their respective high ranking CIA posts in private illegal activities, it would seem that in the principal U.S. espionage agency, the losing of prestige, as well as charity, are now beginning at home."

Early this year the highest ranking official of the National Security Council, Richard Allen, who had taken money and watches given to him by a Japanese magazine trying to increase its chances of getting an interview with Nancy Reagan, lost his post.

The American press agency UPI embellished this partial depiction of the current White House team with new bits of information.

Last 1 June a dispatch said that "in a year of economic hardships for many Americans, the highest ranking officials of President Ronald Reagan's administration revealed that, in addition to their salaries, they earned hundreds of thousands of dollars in other activities and gifts."

Only three out of the 12 cabinet members could state before the Ethics Committee that their regular salaries constituted their main source of income last year.

Thus, for example, Attorney General French Smith admitted to having obtained \$137,500 outside of his annual salary of \$69,630.

Treasury Secretary Donald Regan admitted to having pocketed \$715,455 in activities not related to his government duties, which earned him \$69,630.

CIA Director William Casey admitted to having collected \$442,000 "which for the most part came from dividends."

Defense Secretary Caspar Weinberger earned at least \$676,421 and "perhaps a million in the sale of stocks and salaries in relation to his former position as vice president and general adviser for the Bechtel Corporation, which manufactures AWACS."

The Agriculture Secretary, John Block, a pig farmer, earned between \$112,000 and \$216,000 from engaging in that pastime.

Meanwhile, Secretary of State Alexander Haig, United Nations Ambassador Jeanne Kirkpatrick, and others to date have not consented to report their additional income.

Even though they are not all listed here, and even though the picture of those who are here is not complete, these latter ones, who are merely outlined with a few brushstrokes, are Ronald Reagan's men.

9983

CSO: 3010/1955

NEW COSTA RICAN PRESIDENT MONGE CRITICIZED

Havana TRABAJADORES in Spanish 26 Jun 82 p 5

[Article by Juan Dufflar: "The President's Credentials"]

[Text] The model of "democracy" that is advocated for Central America and for all of Latin America by the brilliant president of Costa Rica, Luis Alberto Monge, has been perfectly defined during the trip of the Costa Rican chief executive to Washington and his longed for meeting with Ronald Reagan.

In a rhetorical and touching tone Monge, at the White House, made a public imperialist and pro-North American profession faith; he confirmed "the alliance for life" of his country with the United States and joined the campaign against "international Communism" and "Marxist penetration on the continent," sponsored by the Yankee president.

More distressed, apparently, by the "great offensive of Marxist totalitarianism," that he says is confronting Costa Rica, than by the virtual economic bankruptcy of the nation, whose foreign debt exceeds \$3 billion, Mr Monge dedicated a large portion of his visit to proclaiming his adherence and unconditional political support to Reagan's government.

Thus, he abounded in attacks on Cuba and Nicaragua; he justified the North American position in the Malvinas conflict and he declared himself in favor of the validity of the OAS and the Inter-American Treaty for Reciprocal Defense (TIAR), "impossible to conceive of without the presence of the United States."

Neither did Monge stint his praise for the mentioned Reagan plan for the Caribbean, a paltry "aid" of \$350 million, selectively distributed, \$70 million of which--what a coincidence--are destined for Costa Rica.

Obligingly, the Costa Rican president committed himself to give the greatest assistance to the United States in its zeal to reestablish ties with the other nations of the hemisphere, so damaged and deteriorated after Washington's alinement with Great Britain in the colonial war against Argentina.

As was to be expected, this tour to the imperialist metropolis would have to yield dividends to Reagan's ally and good friend. After the emotional account of "the difficult economic and social situation that the nation is undergoing,"

we did not have to wait for the "cadging" off the government and private enterprises of the United States, the very same that have exploited the people and impoverished this Central American country.

The request was accompanied by the argument of the great social uneasiness unleashed by the serious crisis and by "the threat of Communism."

What Mr Monge did not bring forward was that in order to refinance the foreign debt, nearly \$4 billion, the International Monetary Fund (IMF) imposed draconian conditions on Costa Rica, such as the freezing of wages and monetary devaluation, unpopular measures that have caused vigorous protests by the workers and their unions.

The North American aid will reach Costa Rica, not to solve the country's poverty, its inflation, the high cost of living or the growing unemployment, but to create a special repressive body that, according to Monge, will also have the assistance of Israel for its training.

The objectives? They are obvious: to guarantee the interests of the United States in Central America and the survival of the government; there is a reason that Mr President already presented his credentials in Washington.

9545

CSO: 3010/1962

HAVANA SAYS U.S. SENATORS 'RIDICULE' ANTI-CUBAN RADIO

Havana TRABAJADORES in Spanish 2 Jul 82 p 6

[Article by PRENSA LATINA: "American Senators Ridicule Reagan's Plan for Anti-Cuban Radio Broadcasts"]

[Text] Washington, 1 Jul (PL)--The Pentagon reported today that the antennas that are being built in the Florida keys are designed as much for the so-called Radio Marti as for unspecified broadcasts in case of military emergency.

According to the Under Secretary of Defense Fred Ikle, these four 250-foot antennas (two of them already completed) are primarily designed for military use.

While plans for their use are classified, Ikle told the Senate Foreign Relations Committee that these facilities are programmed for the "contingencies that may arise, requiring that radio broadcasts be beamed at Cuba in order to handle the emergencies."

The issue of the so-called Radio Marti was ridiculed at that same committee meeting when the U.S. senator from Connecticut, Christopher Dodd, characterized the plan in question as "a childish idea of foreign policy."

Dodd added that Radio Marti will not achieve its goals and that its effect will be "exactly the opposite" of what the administration of Ronald Reagan claims.

Another senator, Claiborne Pell of Rhode Island, stated that the proposal to create that broadcasting station is a continuation of "the overall inappropriate policy toward Cuba which has led to failure."

The discussion concerning the installation of the radio station dates back to last year when various lawmakers voiced similar criticisms and one of them, Timothy Wirth, noted that the building of the antennas in Florida was illegal and lacking the necessary legislation authorizing funds for same.

On its part, the daily NEW YORK TIMES reported today that the fate of the \$17 million which the White House assigned to the so-called Radio Marti was still uncertain.

2662

CSO: 3010/1949

HAVANA REPORTS ON U.S. 'ANTI-CUBAN' RADIO PLANS

Havana GRANMA in Spanish 3 Jul 82 p 6

[Text] Washington, 2 Jul--The Foreign Affairs Committee of the U.S. Senate held hearings on Thursday at which plans were discussed for radio transmissions to Cuba by a radio station owned by the proprietor of the "Liberty" and "Free Europe" stations, according to TASS.

The report was presented to the senators by certain "experts" who did not attempt to conceal the subversive nature of the anti-Cuban station.

In order to finance the station, the Reagan administration has already asked Congress for \$17 million for this fiscal year and the next.

Private funds are also to be used initially, added TASS, from counter-revolutionaries of Cuban origin living in the U.S.

Thomas Enders, under secretary of foreign affairs, actually admitted to the senatorial commission that Washington would like to achieve the same results in Cuba that it did last year in Poland through Western manipulations, that is by promoting counterrevolution.

Fred Ikle, Under Secretary of Defense, told the committee that the antenna being erected in the Florida Keys are designed both for the anti-Cuban station and for other nonspecific transmissions, "in case of a military emergency," stated PL.

According to Ikle, the four aerials, 250 feet in height (two of them are already completed), are designed primarily for military use.

The idea of a radio station was ridiculed at the hearings when the senator from Connecticut, Christopher Dodd, called the plan "a childish foreign policy idea."

Dodd added that the anti-Cuban station will not achieve its objectives and the results will be "exactly the contrary" to what the Reagan administration intends.

Another senator, Claiborne Pell from Rhode Island, declared that the proposal to construct the radio station is a continuation of "the general policy toward Cuba that is erroneous and which has resulted in failure."

The debate over the installation of the radio station dates back to last year when several congressmen pointed out similar criticisms and one of them, Timothy Wirth, stated that the construction of the antenna in Florida was illegal and lacked the necessary legislative funding authorization.

9787

CSO: 3010/1927

REPORTAGE ON CONSTRUCTION ACTIVITIES IN LIBYA

Five-Year Plan

Havana GRANMA in Spanish 1 Jul 82 p 5

[Text] Tripoli, 29 Jun--Cuba will participate in carrying out new projects according to a 5-year plan, 1981-85, of the Socialist People's Libyan Arab Jamahiriya [JALPS].

The plan is being negotiated during ceremonies honoring the official visit here by Levi Farah, minister of the Cuban Government.

The agreement was signed by the Cuban leader and engineer Muhammad Ahmad al-Manqush, minister of Housing and Development of JALPS.

At the end of the ceremony, Al-Manqush reaffirmed to the press that "we are very pleased with the work of our Cuban brothers in this North African country.

"When the work is based on friendship, the results are always good," he said, after indicating that the experts and workers for the Cuban construction company "have worked very hard."

"In the near future, there will be more extensive collaborative work," he added.

The Libyan minister referred to the community of aims and goals of the two countries, and he asserted that whatever happens to one of them will affect the other.

"It is essential that we collaborate. This is the path that we must follow," he said in referring to the advisability of increasing cooperation between the Libyan Arab Jamahiriya and Cuba.

Visit to Sites

Havana GRANMA in Spanish 3 Jul 82 p 5

[Article by Jose Gabriel Guma]

[Text] Tripoli, 2 Jul--One of two highways being constructed by Cuban internationalists in the middle of the Sahara Desert, connecting Umm al Aranib and Al Qatrun, will be completed next December.

This agreement was ratified by workers of the Cuban construction company in the Socialist People's Libyan Arab Jamahiriya during a trip by Levi Farah, minister of the Cuban Government, through the huge area located more than 1,000 kilometers south of Tripoli and with temperatures of about 55 degrees centigrade.

This important highway, which already has 120 of its 150 kilometers paved, crosses the dunes in the Marzuq province, which has an area approximately three times that of Cuba.

Al-Berqazi, secretary of the General People's Committee of Marzuq communicated to the Cuban leader the great appreciation of the Libyans for the work completed by about 350 construction workers on the highway, and he indicated that the subsidiary of the Union of Caribbean Construction Companies [UNECA] has carried out a project which many believed to be virtually impossible because of the special characteristics of that part of the Libyan desert.

The Cuban minister visited another highway which will connect Sabha to Ubari and which will be 182 kilometers in length.

In a communique issued from an encampment situated in the 'Urquba Valley, also in the Sahara Desert, the 313 Cuban internationalists who are working on the project indicated their determination to keep working diligently and efficiently on this highway which now has about 90 kilometers covered with an intermediate coat of asphalt. An example of this determination is their increasing compliance with the terms of the technical-economic plan which were met at a 105 percent level during the past month of May.

Muftah Sa'ab, secretary of the General People's Committee of Sabha and local representatives of the Ministries of Transportation and Communication and of Housing and Development concurred in their very enthusiastic appreciation of the work of the Cuban construction workers, and they emphasized the importance of their role in the development programs in that southern region of Libya.

During the trip, in which the Cuban ambassador in Tripoli, Jose Luis Avalo, also took part, the Cuban construction workers on those two highways under construction in the heart of the Libyan portion of the largest desert in the world, reaffirmed their determination not to diminish their efforts to insure that Cuba meets its obligations in the contract signed with Libya within the time period agreed upon.

9787

CSO: 3010/1927

FAR MEDICAL DETACHMENT TRAINING REPORTED

Havana VERDE OLIVO in Spanish 3 Jun 82 pp 24-26

[Article by Pablo Nos: "They Will Know How To Fulfill Their Pledge"]

[Text] Barely 2 months have gone by since the start of the preparatory activities of the FAR [Revolutionary Armed Forces] youth group, candidates for the Carlos J. Finlay Medical Sciences Detachment, but the results can already be clearly appreciated.

The figures relating to the first academic term indicate the progress made thanks to the individual and collective effort of the students, faculty, and backup personnel guaranteeing the successful accomplishment of this important task.

By disciplines the examination grades were as follows: Physics, 93.1; Spanish, 95.5; chemistry, 78.8. The general average was 76.4 [sic]. Earlier, diagnostic tests had yielded similar results. This means that there is an analogy between the two sets of figures.

First reserve Lieutenant Alonso Guerrero, director of the candidate soldiers' preparatory course for the Carlos J. Finlay Medical Sciences Detachment, explained in this connection:

"These examination grades may seem low compared to the levels achieved at other centers in the country. However, we are satisfied with the results. First, one must start from the premise that these youths have been away from studies for some time. Then, many of them had not taken some of these subjects before. That is the case of those who graduated as medical technicians and of whom we have a high percentage. These comrades are not too familiar with the subject of chemistry. We stress the review of that subject "

Guerrero asserted that the course has been proceeding satisfactorily in line with previous projections. He noted that the final examination grades were better than anticipated.

Many tasks are involved at this pre-university institution on the "Republic of Panama" campus, the location where the course is offered for FAR candidates for the Medical Detachment. As far as the selected personnel, the professional faculty, and the leaders are concerned, the activities are carried out rapidly and with precision.

All of them have shown initiative and a spirit of cooperation in finding solutions.

Emulation: Point of Support

From the start there has been an emulation plan drawn up in which the major activities involving teaching, backup, and the maintenance of the center's installations are carried out harmoniously.

The latest evidence that the plan is effective is contained in the analysis included in the initial survey. A large number of platoons, students, and workers were recognized as having proved themselves to be of vanguard or outstanding caliber.

However, behind these figures lies a notable and sustained effort to meet the commitment regarding the required standard. Studies are the principal battle waged by these youths. At any time they can be seen going over their lessons and proving their skills. They have the commitment to doing so and doing it well.

It should be mentioned that the emulation plan has been one of the fundamental elements in stimulating and motivating students in the accomplishment of their assigned tasks.

The basic elements involved in the said plan are instruction, sports contests, neatness, the improvement of premises and installations, and the political activities carried out in the mornings. In each case individual and collective participation are measured and evaluated on the basis of grades.

Various agitation-propaganda assignments are effected in line with the emulation plan. The personnel are mobilized by enthusiasm for carrying out this activity and, together with the effort of political organizations, this enables the command to receive sizable assistance.

The UJC--A Bulwark

The number of UJC [Union of Young Communists] activists among the students is high. It is sufficient to note that there are 10 base committees and one UJC committee.

The bulk of the tasks planned and executed help to secure the better fulfillment of the center's activities.

Speaking with the members of the UJC committee's secretariat, we had the opportunity to witness this work from close by. "The principal task of the stage concluded," soldier Esteban Toledo, secretary general, noted, "consisted in offering greater support, with concrete means, to educational matters. Directions were given to all the base committees and a plan was drawn up in each. In the same way, activities were selected with a view to assisting the course monitors. At this time we have an activist movement involving approximately 20 comrades.

"Similarly," he added, "the committee secretaries check the educational progress made in each study group. Systematic work was also done with comrades unfamiliar with study methods.

"Under the title of 'In my extra hours, individual study' we have developed a review procedure to secure the largest number of approved students," he said.

Daily analyses are made in the platoons in critical and self-critical form. The UJC organizes and directs these activities which have as their purpose to evaluate, individually and collectively, participation in the tasks and the results that are obtained from them. This is where one sees one's comrades voice their opinions, criteria, and suggestions for solving problems.

Lt Col Eugenio Suarez reported that there exists a general standards plan. The latter includes technical and political assistance that will make it possible, in the next academic term, to raise fundamental levels and grades in the subject of chemistry.

"For that purpose," Suarez explained, "instructors have been appointed who will help the more underprivileged students in addition to increasing the consolidation effort of the fundamental principles of mathematics and spelling."

"Together with these measures," Suarez continued, "which are of a technical character, individual study plans and attention to the youths are being stepped up to provide them with greater possibilities so that they may dispel their uncertainties and clearly understand the content of the courses. Diagnostic tests will also be given at the completion of remedial work. In this manner we shall know which students still experience difficulties."

The tasks identified as political consist of a general meeting with the UJC activists with the central theme, "Tasks of the UJC activists for the second stage of the evaluation course." In each base committee an analysis was made of the causes which underlay the low grades of some of the students. It is these meetings which led to the concrete measures taken in each instance. With the purpose of redoubling efforts in every way to improve the final results at the second stage of their work, a special day has been scheduled to dedicate the center's basic tasks on the birthday of Maceo and Che Guevara on 14 June 1982. The students and workers involved in the course have already made their pledge.

Parallel Activities

In the past few days there has been excitement in the air about the topic of medicine and its specialties. In this connection the youths have visited various hospitals, relevant exhibits, and have attended the showing of films and scientific conferences. This heralds a favorable framework for the students in which to carry out their activities.

The initiative is part of the joint MINFAR-MINSAP [Ministry of the Revolutionary Armed Forces-Ministry of Public Health] plan, drawn up especially for the course, and has as one of its objectives the professional orientation of the candidates for the Medical Detachment.

Subjects such as advanced medical education, the national health system, the medical profession in a socialist society, the physician's civic responsibility, and other topics of major interest are part of the program of conferences and courses.

Other activities of a recreational and cultural nature are included in the study plan in order to achieve a balance in the preparation program in addition to the necessary integrity. To this end, adepts in various artistic fields have been organized and these efforts are beginning to yield fruit. Recently, a "Day of Culture" was held and everyone was pleased by the magnitude and caliber evidenced by the participants. They have started to present these programs at pre-university-level institutions close by on an exchange basis.

They Are Sure That They Will Succeed

A detail which impresses one on arrival at this pre-university institution called "Republic of Panama" is the confidence of all students in the fulfillment of their commitment to the revolution and its commander in chief. But this enthusiasm is not evident only among them but also among the officers, teachers, and workers.

The anecdotes and opinions heard with respect to the attitude and disposition of the companions charged with certification and teaching are interesting.

Among many outstanding examples is the Spanish teacher, Emilio Caraballo Vazquez, the chairman and secretary of the center's trade union section; and Maria Antonia Pedroso, hairdresser at the pre-university institution who now, because of the course's requirement, is responsible for seeing to the distribution of luncheons and other similar duties.

"Besides the fact that this is a new task of the revolution," Emilio noted, "for which we are always ready, it is also such an attractive effort that it is only comparable to the Pedagogical Detachment. I consider it a great honor to be able to assist with our modest contribution in the successful realization of this project.

"In our class there is at this time a group of companions who originate from the Pedagogical Detachment. They feel very content because they have had this opportunity to receive instruction through the training of these youths," he concluded.

Maria Antonia--"Tona" as she is affectionately called by everyone--said that "before the tasks of the revolution and the commander in chief, it makes sense only to press forward," and added: "I have been working at this center for several years in the hairdresser's shop. On one occasion we needed a comrade to take charge of distributing luncheons to students and I was offered the slot. So far I have not had difficulties and I believe that everyone is satisfied. For the present I shall be prepared to undertake any activity necessary to make it possible for the course to function appropriately."

Following the Commander in Chief's Visit

So far there has been a lot of talk commending the results and progress of the preparatory course of the FAR representatives aspiring to join the Carlos J. Finlay Medical Sciences Detachment. However, one of the events which has impressed students and workers most in such a way that it became a motivating factor was the visit by the commander in chief, Fidel Castro, in April 1982.

There, in the large central area of the facility, the head of the revolution spoke fraternally with the students, inquired about the slightest details, and listened to those gathered around who, aware of their role, approved the decision not to disappoint the trust placed in them. And they will know how to fulfill their pledge.

2662

CSO: 3010/1905

ISLE OF YOUTH MOTORIZED INFANTRY EXERCISE NOTED

Havana VERDE OLIVO in Spanish 3 Jun 82 pp 3-6

[Article by Lesmes La Rosa: "Attackers on the Offensive"]

[Text] At this point [in the exercise] the men of Lt Osmani Perez Ferrer's platoon were enjoying a moment's respite. For that reason, when the siren wailed, more than one conversation was cut short. In a complicated chess game the knight stopped in his tracks in his race across the chessboard and was momentarily stymied in the checkmate with which he would have threatened the king. Soldier Sanchez Valdes stopped reading the letter from his fiancée. He had only gotten as far as the first paragraph. There was no alternative: The small unit was in a state of combat alert.

Only a few minutes elapsed. The persistent drizzle accented the color of the soldiers' khaki uniforms. The hardened troops, completely equipped and evidencing a high combative morale, took to their vehicles. In short order they were moving along the roads, highways, and terraces of the pine-covered terrain.

While they were on the way and in line with the arranged tactical situation, the "air aggressor" was attacking the moving column. But the latter was not long in taking the initiative: Right away, the head of the small unit decided to change its itinerary and took measures to counteract the effect of the "blows" dealt from the air.

The prospective victory began to take shape. Lt Perez Ferrer took good account of the fact that modern combat is first of all a contest of brains, an intellectual confrontation with the enemy. This requires that our officers have a broad tactical background in order to develop clearsightedness and initiative in critical situations and that they take the most appropriate decision in short order.

The sun, with its burning rays, began to dry the exuberant vegetation of the location. The men turned off the engines of their vehicles under the shade of trees. The soldiers quit their vehicles at the double. The soldiers knew already that they were going to launch an attack at the end of their trek. Earlier, in the productive days of combative and political preparation, those soldiers had learned that offensive combat, under conditions existing in Cuba, consists in the annihilation of the enemy's landing forces and in the liberation of territory occupied by these.

Even though deep down they were aware that initially the enemy could occupy as much as a quarter of our land, the soldiers launched on this exercise with a vigorous combative spirit and they did so under conditions very similar to those of real action.

Tension

They were attentive to the warning signals and were ready to repel the possible air or land attack of the "enemy." In the area no unnecessary movements were made; rather, they all fulfilled some purpose. The atmosphere was tense. The conditions of the weapons, ammunition, and individual defense capabilities were checked out. Camouflage was a constant endeavor. The drivers checked their vehicles. Faint smiles of satisfaction crossed the men's faces as they perceived the perfect technical condition of their vehicles. They could detect no leaks of fuel, lubricants, water, or other materials.

Each task built on the strength of the party-political effort. It became evident that the youths wished to enter into combat. The moment was not long in coming because Lt Perez Ferrer got together with his men and told them that on "Omega" hill the "enemy" was strong. There was only one thing to do: To annihilate it.

Without delay the lieutenant gave the order to attack. With clear and plain words he pointed in the direction of where the attack would be launched. He fixed in their memory the firepower and enemy troops to be destroyed and gave the order to cooperate during the overcoming of obstacles and the attack.

All the men followed the directions of their chief attentively. The looks directed at him denoted confidence, optimism, and the assurance of victory. To my mind this was a symbol of the prestige that this young officer enjoyed among his men. This did not fall out of the blue but from his political-ideological maturity, selfless effort, personal example, and the demands he makes on himself and his subordinates. These impressions were subsequently confirmed to me by Osmani's superiors.

The vehicles' engines roared to life once more. In the soldiers' veins, in their bloodstream, flowed a powerful current of combativeness. They were pressing forward once again. But now their itinerary was leading to confrontation with the "enemy."

Attackers on the Offensive

The goal of the offensive was accomplished by using all available means of destruction and by the skillful exploitation of firepower, with the determined actions of the troops and their forceful escalation in tempo and in depth.

The platoon approached the line of attack. In the evening, the extensive area was lighted up by the streaks of artillery shells. More than a successive concentration of fire, it was a burning inferno which fell on the fringe ahead of the "enemy."

Lt Perez Ferrer's men alighted from their combat vehicles. They deployed and advanced impetuously, excited by the order to attack. Their automatic rifles, machineguns, and rocket launchers, skilfully handled, began to articulate a deadly language with powerful and well-aimed bursts. The hand grenades kept exploding. Their first target was secured. Victory began to take shape as the results of the rigorous preparation received by the personnel over the previous months, in line with combat and political training programs, came to be appreciated.

In short, the "enemy" of the line ahead was annihilated. The small unit nearby repelled a counterattack while the platoon with increasing momentum advanced in depth. On emerging behind the "enemy" it was discovered that the latter had withdrawn. The order of pursuit was given. After taking to the roads along which the enemy had turned back and hindering his actions, the platoon decimated him with all the firepower at its command and a determined attack.

Several columns of smoke lingered on the battlefield. A strong odor of gunpowder could be smelled in the air. The exercise came to a close and a sensation of victory engulfed everyone. The men regrouped. They would soon resume their interrupted conversations. The knight would continue to gallop on the chessboard to checkmate the king, while soldier Sanchez Valdes would finish reading his love letter. Even though they were no longer in a state of combat alert, the men now enjoyed a greater combat capability.

In a communique the platoon was commended as follows:

"It acted with notable mastery and at a high level. It is not in vain that it is the company's vanguard. In all these activities as in the others that pertain to the integral training of the force, the platoon has stood out by virtue of its constant enthusiasm and discipline and the interest it has displayed in the successful development of the tasks set forth for it. The troops were very offensive in the attack..."

2662

CSO: 3010/1905

AALAPSO CONDEMNS ISRAELI ATTACKS INTO LEBANON

Havana GRANMA in Spanish 30 Jun 82 pp 1, 3

[Article by Rolando Meneses]

[Text] A forceful denunciation of the brutal Israeli aggression against Lebanon and against the Palestinian resistance was approved unanimously by the participants in the round table on the struggle of the Arab peoples against Zionism, imperialism and reaction, held yesterday in the Convention Palace at the initiative of AALAPSO [Afro-Asian Latin American People's Solidarity Organization].

The final document, after denouncing the strategic alliance between Israel and the United States and its attempt to establish on Lebanese soil armed forces of North American occupation under the protection of the so-called "international forces" already established by Tel Aviv and Washington in the Sinai, condemns the Government of Israel for the massacre of tens of thousands of persons in its present aggression on Lebanese soil and denounces Israel's stated intention to exterminate the Palestinian people and the Lebanese progressive forces.

At the same time, it demands the withdrawal of the aggressor forces and help for the heroic defenders of the independence of the sovereign state of Lebanon and for the cause of self-determination of the Palestinian people. It also demands that the United Nations act consistently, immediately and firmly to stop the criminal hand of the aggressors.

The statement appeals to the United Nations and to each one of its member nations to intensify their efforts toward an immediate solution, and it appeals to the governments, organizations and international, regional and national institutions to demand the cessation of this genocide, and it asks for the urgent mobilization of all the peoples of the world and of world public opinion to condemn the treacherous crime of Zionism with the vile connivance of North American imperialism.

It also calls on all humanitarian organizations, with the greatest urgency, on all human beings, to join their efforts and their voices in full and firm

support for the cause of the Assaulted peoples. It appeals, finally, to the revolutionary, progressive and democratic forces and to lovers of peace throughout the world to support the Lebanese national movement and the PLO in its just and heroic struggle.

The round table was opened during the morning under the chairmanship of Jesus Montane, deputy member of the Politburo and member of the secretariat of the party's Central Committee; Melba Hernandez, general secretary of AALSPSO and delegate to the national assembly; the members of the executive secretariat of AALAPSO; 'Imad Jada', business officer for the PLO in Cuba Sharaf Awdeh, representative Awdeh of the Democratic Front for the Liberation of Palestine; Tania Macelira, Assistant chief of the General Department of Foreign Relations of the party's Central Committee and Oscar Oramas, vice minister for foreign relations.

Present at this event were the diplomatic corps and national and international organizations and the participation of 32 speakers whose firm condemnations of the bestial Zionist aggression against the Palestinian and Lebanese peoples gave rise to the final statement.

Melba Hernandez Speaks

The first subject of the meeting was taken up by Melba Hernandez and dealt with "the struggle of the Arab liberation movement in the face of the imperialist-Zionist escalation in the Middle East and North Africa."

Hernandez referred to the emergence of the Palestinian revolution as a qualitative change in the Arab-Israeli conflict and to the Zionist occupation of all the Palestinian territory.

In her talk she reviewed the extremely important moments since the Arab defeat in June 1967, the Egyptian betrayal, the attempts for autonomy for the Palestinians in land occupied by Israel, the attacks on Lebanese territory in March 1978 and July 1981 up to the most recent attacks against the cities of Tyre, Sidon (Saida), Nabatiyeh, Tripoli and Palestinian towns and refugee camps.

Hernandez also referred to the attacks on Beirut and on the farms and orchards in southern Lebanon, to the "ravaged earth" policy practiced by the Zionist aggressors and to the national encounter of the combined forces of Palestinians and progressive Lebanese, who have decided to courageously defend Arab Lebanese territory and to prevent its desecration by the enemy.

The subject introduced by Melba Hernandez explains the prevention of the enemy from establishing itself at landing points and upsetting it with attacks; organization of the peoples' movement; extending the duration of the battles to prevent the enemy's securing and establishing itself; organizing and strengthening the work of propaganda and other operations of confrontation with the Zionist aggressor.

Hernandez condemned the Zionist atrocities, comparable only to the Nazi genocide and U.S. support for the aggression; and she recalled when Minister of Defense Ariel Sharon said, "We have to put an end to the Palestinians, because if only two are left, in a week they will already have formed an army."

If these new Nazis have ever said anything certain, it is this, judged Melba Hernandez.

Speech by 'Imad Jada,' Business Officer for the PLO

Regarding the subject developed by AALAPSO general secretary Hernandez, a forceful statement was made by 'Imad Jada,' who defined as the essence of the confrontation in the Middle East, the legal and historical contradiction between the physical existence of the Arab people of Palestine and their legitimate rights on one side and the presence of the Jewish state, approved by a resolution, on the other side.

After a substantial explanation of the origins of the conflict, 'Imad Jada' mentioned the objectives of the peace strategy of former president of the United States John F. Kennedy, in which was emphasized the "need" to impose North American hegemony over the region: strategic importance; existence of the world's largest oil reserves; to confront the "danger of Communist penetration"; socio-economic conditions; appearance of Arab nationalism; the rebellion against Western colonialism and the appearance of Egypt as leader of the Arab world and of the movement against the West.

Basing himself on information from the North American magazine NEWSWEEK, 'Imad Jada' said that U.S. armaments aid to Israel between 1968 and 1977 reached \$4,241,100,000 and that this aid, compared with that given by the United States to the other countries of the Middle East, between 1966 and 1975, is extraordinarily greater.

In his talk, 'Imad Jada' called for breaking the conspiratorial and collusive silence and for standing beside all the forces that are demanding the immediate withdrawal of Tel Aviv's troops; for breaking diplomatic relations with the United States; an Arab oil embargo on the enemy camp; with drawing petrodollar credits from the North American banks.

'Imad Jada' recalled the words of Arafat to the Cuban minister of foreign affairs, Isidoro Malmierca, on Malmierca's recent visit to Lebanon, "Unforgettable! This visit of the Cuban minister of foreign affairs under these unusual conditions will be unforgettable. Our people will be faithful to this visit and will never forget it; it will be memorable until victory and liberation!"

'Imad Jada' concluded by expressing his deep gratitude for the shows of solidary aid and said that all his sincere gratitude is directed toward "Comrade Fidel Castro, to the vanguard party and to its internationalist people, who have shown at these difficult moments that they feel everything that our people are feeling..."

The meeting agreed to send messages of solidarity and support to Yassir 'Arafat and to Walid Junblat, the highest leaders of the PLO and the Lebanese National Movement respectively, and to Romesh Chandra.

Other Speakers

Among the speakers of this working day were Helmut Angula, the SWAPO [South-West African People's Organization] representative in Cuba, who developed the second topic about "The international solidarity with the struggle of the Arab peoples and their central cause: Palestine"; Ismail Ibrahim, representative of the Lebanese Communist Party; Severo Aguirre, president of the Movement for Peace and the Sovereignty of Nations and member of the Central Committee of our party; Mazin Kasawat, business officer for the Syrian Embassy in Cuba, all of whom expressed the condemnations of the organizations that they represent against the Zionist-North American aggression and their acknowledgement of AALAPSO for organizing this important event.

In his talk, Severo Aguirre said that he brought to the meeting not only his personal solidarity message and that of the Movement for Peace and the Sovereignty of Nations (of Cuba), but that of Romesh Chandra, president of the World Council for Peace, which has just held a meeting in Basel, Switzerland.

Chandra, in his message addressed to Melba Hernandez, AALAPSO general secretary, expresses his solidarity with the Havana round table and for the just cause of the Palestinian people, certain that it will triumph.

The meeting in Basel ended with a resolution that demands the withdrawal of the Israeli troops and condemns the leaders who carried it out and those who prepared and supported it.

9545

CSO: 3010/1926

UBRE BLANCA NATIONAL MONUMENT DESCRIBED

Havana GRANMA in Spanish 5 Jul 82 p 3

[Text] The first phase of the monument which is being erected on the Isle of Youth to "Ubre Blance" was finished here after 4 years of hard work on the part of the group of sculptors who participate in the realization of the work, the outcome of which they dedicate to the 29th anniversary of the historic assault on the Moncada barracks.

What was done up to now consists of a life-size model of the prodigious animal in Calabazar clay. Therefore the sculptors have kept in mind its anatomical characteristics and actual dimensions.

The team of sculptors composed of Abelardo Hechavarria Arias Luis Ruz Reys, and Pablo Porras Gener, the first two members of the "Hermanos Saiz" brigade, in their labors depended on information on our great champion furnished by Dr Jorge Hernandez, director of the Veterinary Institute of the special municipality, and in whose care the marvelous cow F-2 has been, about 50 photographs taken of "Ubre Blanca" from several angles by the photographer Rene Calvo, and direct observation, all of which results in a thorough and careful study of the animal.

The work group, which includes the architect, Juan Garcia, and which extended an invitation to the prestigious sculptor Rita Longa, was put together last January after the visit of Fidel to the Isle of Youth when he showed his interest because a monument was to be erected to perpetuate the productive feats of "Ubre Blanca," a unique example of our revolutionary cattle raising.

Hechavarria stated that having finished this stage of modelling, the figure will be done in plaster to be sculpted later in marble, otherwise to be cast in bronze, according to what is decided.

The young plastic artist added that in the place where the work is to be erected, a museum could be built which could offer to Cubans and visitors from other countries all the information possible on the genetic and productive characteristics of "Ubre Blanca" as well as information on the development of cattle raising in the country of which our great champion is its greatest exponent.

9678

CSO: 3010/1928

BULGARIAN FRIENDSHIP SOCIETY ANNIVERSARY HAILED

Havana GRANMA in Spanish 5 Jul 82 p 3

The 10th anniversary of the founding of the Cuban-Bulgarian Friendship Association [AABC] was celebrated at the headquarters of the Cuban Institute of Friendship With Peoples.

Colonel Serafin Fernandez, member of the Central Committee of our party and president of the association, who made the opening remarks, pointed out that over the past 10 years the association has developed fruitful work in cementing the ties of friendship between Cuba and Bulgaria.

Fernandez added that we no longer celebrate this date as a formal act, but with immense joy and deep appreciation toward the sons of the country of Georgi Dimitrov, who over the years of the Cuban revolution have always offered their brotherly and disinterested help in the building of our socialist society.

The president of AABC emphasized that for us, it is of deep revolutionary satisfaction to be in the first line of friendship and solidarity with our brothers, the Bulgarian people, and we are sure that in the coming years we will make greater efforts to extend even more the ties of all kinds which unite and suit us.

Bouko Dimitrov, ambassador from Bulgaria to Cuba and member of the Central Committee of the Bulgarian Communist Party, recalled that the appearance of AABC was made during the year of the 90th anniversary of Georgi Dimitrov's birth.

He pointed out later that in these years the AACB has undertaken active and multi-faceted work in strengthening the friendship with Bulgaria and congratulated the governing board, the directors of ICAP, and the associate members for the work accomplished.

The ambassador presented to Colonel Serafim Fernandez postage stamps depicting Bulgarian-Cuban friendship which carry the logo of AABC.

Also present were Severo Aguirre, member of the central committee of the party and president of the Movement for Peace and Sovereignty of Peoples, Mario Rogriguez, vice president of ICAP, Alberto Rodriguez Arufe, head of the Section of the General Department of Foreign Affairs of the Central Committee, Isabel Allende, director of Politics of MINREX, members of the governing board of AACB, officials of ICAP and other guests.

NATIONAL CADRE SCHOOL 10TH ANNIVERSARY HAILED

Hanava GRANMA in Spanish 6 Jul 82 p 3

[Article by Georgina Jimenez]

[Text] The Fulgencio Oroz National Cadre School of the Ministry of Education (MINED) was 10 years old in June.

It was in 1972 when, in following with the recommendations of the First Congress of Education and Culture regarding the need to continually improve the professional and politico-ideological level of our educators, this institution was founded at a site prepared for such a purpose near La Vigia Farm, in San Francisco de Paula. Its goals were generally defined as the training and improvement of educational cadres capable of ensuring the best organization, management and performance of the tasks inherent in their position.

Those were the days when an unprecedented increase in school enrollment was taking place, mostly at the centers based on the principle of work-study located in the countryside, which were bigger and more complex than those in existence up to then. The larger number of schools throughout the island posed, in turn, the need to increase the number of managing cadres to head them, and to bolster the task at the municipalities and provinces. The cadre school was an answer to that need, serving as a means to improve all the managing personnel, or those considered as possible candidates to take over such responsibilities.

This turn of events was not the only reason for the creation of this institution. The social responsibility of the school in our society makes it the place where succeeding generations will be trained to enable them to construct socialism ideologically, politically and professionally at a time when a great revolution is taking place in science and technology.

The cadre that manages a school should, therefore, possess high political and ideological qualities, as well as teaching ability, in order to perform its task perfectly. Much the same occurs with the heads and officials of the municipal and provincial administrations, which are responsible for the application and control of the educational policy of the state.

For all those reasons, the continued overall improvement of the managing cadres in this field turns into a permanent task which constitutes the mission of the Fulgencio Oroz school.

Theoretic and Practical Improvement

A year after its creation, Ciudad Libertad was chosen as its final location, and it was decided to establish the courses at the intermediate and the basic levels which are still in effect. The former, which is the highest level taught at the center, is intended for the officials and heads of the municipalities and provinces, and it lasts for a year.

The basic course is for the improvement of principals and assistant principals of primary-education and adult-education schools, and municipal inspectors and methodologists, as well as directors, assistant directors and heads of teaching units of pedagogic and vocational schools, and it lasts for 6 months. Moreover, a course was created for incumbent intermediate-education principals, and it lasts for 6 months. A 3 and a half month course is also taught for officials in the economic area of the provinces and municipalities, and managers of school centers whose enrollment exceeds 1,000 students.

The link between acquired knowledge and its actualization in the progress of socialist education and the concrete tasks that the educators will undertake is the basic orientation with which study plans and programs and the activities included in the organization of the course are set up.

The inspection and control visits carried out by the students, jointly with the specialists, methodologists, inspectors and chief officials of the MINED, are programmed activities during the course intended to give the students more experience in the field.

The enrollment in the current school course is 1,036 students, and the faculty consists of 37 teachers. Up to the last course, the graduates of the school totaled 7,047 cadres in educational management belonging to educational centers at the municipal and provincial level.

This is not the only means established to improve the managing personnel in this field. The annual national seminars that have been held since 1966 for managers, methodologists and inspectors of the provincial and municipal administrations, which are also attended by the director of educational centers, are a very important tool in that sense. The courses and seminars for the heads of the mathematics, physics and chemistry departments of the intermediate-level educational centers also constitute a very serious effort to improve the quality of teaching in those subjects.

The Fulgencio Oroz National Cadre School constitutes, therefore, a very important agency in the general struggle to improve the quality of education by raising the professional level of those who manage that activity, at the point where their efficiency is determined and becomes viable. With this understanding, the municipalities and provinces must guarantee the filling of positions or quotas assigned to them because this will strengthen their own work.

A decade of fruitful efforts. A springboard for greater achievements.

WORKER PARTICIPATION IN STANDARDIZATION STRESSED

Havana TRABAJADORES in Spanish 15 Jun 82 p 2

[Article by Caridad Lafita: "The Participation of the Workers and Their Trade Union Organizations in the Work Standardization Process"]

[Text] With Resolution No 1287 of the State Labor and Social Security Committee a new work standardization process went into effect which integrates in a single legal document all regulations on planning, drafting, approval, defining, control, and review of labor norms and standards.

In this new regulation special attention is given to the participation of the trade union and labor organizations in the process of elaborating and approving these standards.

Thus, the trade union's executive committee will participate in the process of authorizing the standards of the enterprises; the provincial trade unions or councils in the drawing up of provincial standards; the national trade union confederation, those of the branches; while the national CTC [Central Organization of Cuban Trade Unions] and the national trade unions will be involved in drawing up the standards of inter-branch and of national character.

Resolution 1287 also anticipates that where disagreements may arise between administrative directives and trade union organization during the process of approval of standards, both sides will take their respective criteria to the immediately higher level [of authority] so the latter may make a decision on the issue.

At the stage where the standards are drawn up, two points of major interest arise: The analysis and discussion with the workers; and the reaction, changes, or realization of the plan of technical-organizational evaluation.

It is mandatory to proceed with an analysis and discussion of standards with those workers who will have to abide by them. These workers must know beforehand the procedure used in the drawing up, selection of criteria, duration of application, and procedure to follow for the defining of such standards.

Similarly, changes involving technical-organizational conditions (means, work goals and products, technological procedures, work organization, etc.) as well as the duration of execution and application of these will be reported.

The meeting with the workers will be effected following a minimum notice of 15 days from the date anticipated for drawing up the standards with the goal of making the appropriate adjustments taking the workers' criteria into account.

In those situations where it would become necessary to create or change the technical-organizational conditions, this will be done before the application of the standards.

Following the period of discussion and approval, the standards must be used both in planning production and productivity and in the payment for work performed.

Once the drafting process is done, it is up to the workers and their trade union organizations to see to the fulfillment of the standards, an extremely important factor in our work organization since they make possible the determination of the social duty of each worker, contribute to the best wage structure and to the increase of productivity, and create sound foundations for labor planning and production.

2662

CSO: 3010/1949

PROBLEMS IN IMPROPER USE OF TOOLS NOTED

Havana GRANMA in Spanish 28 Jun 82 p 3

[Article by Joaquin Oramas]

[Text] A warning about the use of machine tools on work that is inappropriate for such precision equipment was one of the agreements on critical problems in this area of the mechanical industry that was reached by participants in the First National Meeting on Work and Grinding Tools. The meeting ended Saturday with a plenary session at the "Socialist Republic of Vietnam" factory in Havana.

Another of the agreements reached by the 100 specialists from throughout the country who discussed the work and grinding tools problem covers this question: Why are tools purchased abroad when the documentation and technical conditions exist to manufacture them in Cuba?

They also called for maximum use of the installed capacity in steelworking industry shops so as to bring about the manufacture of rubber retreading molds in order to help cut imports.

During discussion of the inadequate use of machine tool shops, Eugenio Mainegra, chief of the PCC Central Committee's Basic Industry Department, explained that the basic principle is to take care of machine tools so that they do not lose their precision. References were made to the "Miguel Saavedra" factory, with Jose A. Santana, director of the metalworking enterprise, and Ruben Navarro, administrator of the aforementioned administrative unit, speaking about the factory.

Santana explained that the most sophisticated parts were being made with machine tools. He also referred to the training of 80 new operators at the "Miguel Saavedra" factory. For his part, Navarro asserted that enterprises have cut down the demand for dies from the factory.

Regarding this point, it was explained at the plenary session that the need for dies is becoming increasingly greater. "Two shops, such as those of the "Miguel Saavedra," are not enough to satisfy the country's needs for dies," said Angel Villarreal, secretary general of the metallurgical workers union. The factory administrator was told to make an estimate of the dies which the factory can produce so that maximum utilization of its machines can be made immediately.

For example, the methods that had been used up to now, which were designed for natural arid materials, call for a combination of more or less 35 percent of sand and 65 percent of gravel.

O'Reilly's method, designed for the characteristics of our arid materials, requires a larger amount of sand in the mixture. And it is easy to assume that the use of more sand cuts the amount of cement.

As a result of that concept alone (sand-gravel proportion), cement savings in the production of concrete can be 10 percent or more.

Furthermore, the reduction in cement consumption could be in the order of 20 percent if we include other new factors involved in the method. The influence and determination of the characteristics of our arid materials for each case and plasticity of the concrete are among these other factors.

We learned in Matanzas that Construction Ministry builders in that province produced 25,000 cubic meters of concrete during the first quarter of the year. Theoretically, they would have consumed 10,426 tons of cement by using the European method, even if applied carefully, but they used only 9,365 tons of cement with the O'Reilly method. Matanzas, along with Camaguey and Holguin, is one of the provinces that proposes to save 15 percent of cement a month in its concrete production.

As the method is perfected and its minimum requirements are met, savings will go on increasing until they reach the optimum point.

The O'Reilly method also has helped to correct quality control irregularities that were occurring at quite a few places.

Of course, explains the happy inventor of this method which builders have named after him, its application imposes requirements, such as good work at construction laboratories and quality of the arid materials used in keeping with the type of concrete desired. The sense of responsibility and authority of technicians throughout the process, including acceptance and rejection of the materials they receive, also has a lot to do with the method.

In Addition...The Method Also Saves Oil

Oil saving is another important effect of the O'Reilly method on the construction industry because, depending on the technology used, 1 ton of oil is consumed for each 4 or 5 tons of cement produced.

The savings of 130,000 tons of cement in concrete production this year means oil savings of between 20,000 and 25,000 tons, which is nothing to sneer at, right?

This new method of determining concrete mixtures currently is being explained at our engineering and architecture schools and at the technological construction institutes.

Obviously, the O'Reilly method is an important contribution to the field of scientific-technical research in construction. Moreover, our country is not the only one benefiting from this method, for it is being used with positive results in four sister nations.

STATUS OF CUBA'S MERCANTILE FLEET, PORTS, TRADE SUMMARIZED

Moscow MORSKOY FLOT in Russian No 4, 1982 pp 57-58

[Article by N. Vlasov: "Sea Transport of the Republic of Cuba"]

[Text] During the second half of the 1970's, sea transport occupied, for Cuba, third place in freight-hauling volume, after motor-vehicle and rail transport. For 1976-1980, on the average, the maritime fleet transported annually 10.6 percent of all the country's freight: the total volume of such hauling increased from 8.1 million tons in 1976 to 9.5 million tons in 1979 (including ships leased for a lengthy period). During this same time foreign-trade cargo hauling rose from 3.7 to 4.5 million tons, coastal cargo hauling from 4.4 to 5.0 million tons.

The Republic of Cuba collaborates in the area of developing maritime transport and ports with CEMA member countries on both a multilateral and a bilateral basis. The main purposes of this collaboration are to strengthen the supply and equipment base of the Cuban mercantile fleet and to increase its utilization effectiveness. Moreover, the socialist countries are extending Cuba scientific and technical assistance in the development of ports.

At a time when the socialist economic-integration process is being intensified, the coordination the activity of Cuba and its CEMA partners in the area of ship chartering in order to satisfy more completely the country's foreign-trade requirements for maritime hauling and to do so with reliability is becoming increasingly important.

CEMA member states are sending Cuba ships, ship equipment and articles for the national shipbuilding industry in a wide variety. Cuba is purchasing from the socialist countries diverse equipment for ports and warehouses.

Several regular maritime lines have been established between Cuba and European CEMA member countries, on which Cuban ships and ships of Cuba's CEMA partners are operating. In the second half of the 1970's alone, hauling between Soviet and Cuban ports was performed by more than 10 such lines.

In 1963 the joint regular line KUBALKO was established. Participating in its service were ships of Deutsche Seereederei (Rostok), Empresa Consolidada de Navegacion Mambisa (Havana), Polska Zegluga Morska (Szczecin) and Czechoslovenska Namorni Plavba (Prague). This line is operating between the ports of Gdynia, Szczecin and Rostok and Cuban ports. The regular maritime line Bulkuba has been operating between the People's Republic of Bulgaria and Cuba since 1972.

NEW CONCRETE MIXING METHOD SAVES CEMENT, OIL

Havana GRANMA in Spanish 25 Jun 82 p 2

[Article by Enrique Mesa]

[Text] Foreign methods, primarily U.S. or European, until now had been used to make concrete in our country and these methods were designed for materials that are quite different from ours.

However, a Cuban engineer and university professor, Vitervo A. O'Reilly, who is candidate to a doctorate in sciences, after many years of study and hundreds of tests and experiments, has developed a scientifically-based method of proportioning the concrete mixture according to our own materials. Among its advantages, this method results in a noticeable reduction in the use of cement.

Certain provinces already are achieving 12 percent monthly savings in the cement they use to make concrete and others propose to reach 15 percent monthly savings this year, Engineer O'Reilly tells us regarding some of the results.

He adds:

In general, implementation of the method this year should result in a savings of about 130,000 tons of cement, since its application has been extended to all of the Construction Ministry's prefabricated elements plants and projects.

The components of concrete are gravel and sand (called arid by the builders), cement and water. The problem lies on knowing the correct proportions to obtain a specific resistance, and this is obtained by means of an equation which removes any doubt, but...

The methods we had been using, explains Engineer O'Reilly, were based on proportioning natural arid materials, obtained from rivers or mines, which are more or less rounded off. Ours are crushed arid materials that come from quarries created by man and are angular, with a high percentage of long and flat particles and very irregular granulation.

Up to 20 Percent of Cement Can Be Saved

The characteristics of the arid materials determine the proportion of components to be mixed for the concrete.

Another controversial statement was that of the Holguin specialist Esmerido Acosta who reiterated that parts for machine tools amounting to almost 2 million pesos can be recovered at the "60th October Revolution Anniversary" enterprise. He added that this recovery of parts is limited now by the fact that there is a small group of specialists to do this vital work.

In his closing remarks at the meeting, Mainegra emphasized support for the workers collectives that are pushing the recovery, saving and manufacture of cutting tools. Furthermore, he called for analyzing in greater depth the problems relating to forging and tooling machines which also are very important for the mechanical industry.

9925

CSO: 3010/1957

The long-term special program for CEMA member country collaboration in the area of transport that was adopted in 1979 at the 33d Session of CEMA has been of special significance for the development of Cuban sea transport.

It is planned to build at Cienfuegos a petroleum loading and unloading center for large tankers and mooring structures, with the joint efforts of the USSR and Cuba. It is also planned to rebuild a number of docks in Havana and to expand the repair base for port equipment at the country's main ports.

The Cuban government has in recent years been implementing a policy of expanding collaboration in the area of maritime transport not only with socialist but also with certain capitalist and developing countries. In 1975 Cuba became a member of the multinational shipping enterprise, Empresa Naviera Multinacional del Caribe. Doing so has helped to make Cuba's economic ties with a number of Caribbean basin states more active.

While carrying out the first five-year plan for its social and economic development, Cuba augmented its mercantile fleet with 23 high-tonnage ships. As a whole, for the period 1976-1980, the deadweight of Cuba's seagoing fleet increased by 48 percent, reaching 943,000 tons by the end of 1980. In so doing, the deadweight of these long-range navigation ships rose from 550,000 tons in 1975 to 815,000 tons in 1980, while the total deadweight of the coastal fleet increased from 87,00 to 128,000 tons.

The country's fleet will be further developed during the second five-year plan (1981-1985). It is proposed, in particular, to augment it with 30 new ships and also to purchase various ships and port equipment abroad. (At the same time, a large portion of Cuban freight will, as before, be hauled in foreign ships during the second five-year plan).

Cuba's mercantile fleet is basically young. Out of 96 ships at the end of 1979, 31 (43.9 percent of the total deadweight tonnage) were less than 5 years old. The 59 ships that had been in operation less than 15 years in 1979 formed 74.9 percent of the total deadweight tonnage of the Cuban fleet.

Cuba is at present conducting maritime hauling through two organizations, which are under the jurisdiction of the Ministry of Transport. The larger of them--the Empresa Consolidada de Navegacion Mambisa--was established in 1960 and is engaged in foreign-trade hauling. In 1980 the ships and other productive capital of this organization were evaluated at 400 million Cuban pesos. At the end of 1980 its fleet included 65 ships with a total deadweight of 812,000 tons, including 50 ships for hauling general cargo, 7 refrigerator ships, 2 container ships, 3 ro-ro ships, and 3 training ships.

The other organization--Empresa de Navegacion Caribe--hauls in the Caribbean Sea. It owns tankers, ships for hauling general cargo, special ships for hauling free-flowing dry bulk cargo, ferry boats, tugs and 12 passenger liners.

There are also two other organizations under Ministry of Transport jurisdiction: the Cubana de Fletes, which provides for transporting cargo on chartered foreign ships; and Empresa Antillena de Salvamiento, which extends assistance to Cuban and foreign ships that are in distress in the Caribbean Sea.

In recent years the shipping of cargo in containers has undergone definite development. In 1980 maritime foreign-trade hauling of containerized Cuban cargo consisted of 500,000 tons, for which 73,000 containers were required, and in 1981, 600,000 tons (about 80,000 containers).

In the second half of the 1970's, Cuban ports numbered 36, the largest of which were Havana, Santiago de Cuba, Cienfuegos, Mariel and Matanzas.

The ports' freight turnover increased steadily during the first five-year plan: it was 25.9 million tons in 1976, 28.2 million in 1977, 30.3 million in 1978, 33.7 million in 1979 and 35.0 million tons in 1980. In so doing, the transshipment of foreign-trade cargo rose in 1980 by 30.2 percent over 1976, reaching 25 million tons, and coastal trade increased by 49.3 percent, up to 10 million tons.

Havana has been singled out sharply among Cuban ports in freight turnover volume for a long time. In the mid-1970's 60 percent of the country's import and 15-20 percent of its export cargoes passed through this port. The port has 26 docks, which enable ships of various types to be handled, floating docks have been equipped for ship repair, and in particular, a floating dock 100 meters long, 31 meters wide, with 1,500 tons' lifting force, that Cuba bought in the USSR, began to operate in 1980.

The docks of Havana's port are designed for the simultaneous handling of 32 ships, and the total manpower employed at the port in 1980 was 6,000.

It is planned to complete in Havana in the 1980's the building of a set of 4 docks and a container terminal. In 1980 one of the docks, 220 meters long, for transshipping 350,000 tons of general cargo (including heavy cargo) per year, had already been put into operation. The construction of a specialized dock for heavy-weight cargo should be completed in 1982. Another dock of this complex, which is designed for loading and unloading fertilizer, is under construction. It was designed for transshipping 800,000 tons of fertilizer per year.

The total area of the Havana port container terminal will be 315,000 square meters, covered storage premises will occupy 195,000 square meters, open storage for the placement of containers 88,900 square meters. The terminal's frontage will be 300 meters long and 38 meters wide. The dock is designed to handle 825,000 tons of cargo per year. It is planned to put the terminal into operation in 1982-1983.

For 1976-1980 as a whole, 80 million Cuban pesos were spent on the construction of port structures in Cuba. Storage-premises area increased by 300,000 square meters, and 74 cold rooms have been introduced into operation.

A large portion of the funds allocated for port construction was directed to rebuilding ports in the cities of Cienfuegos, Nuevitas, Mariel and Santiago de Cuba.

In 1980 a dock 175 meters long for loading citrus fruits was turned over for operation at the Cienfuegos port. It is planned to build docks with a total length of 2.3 km in 1981-1985. Capital investment for this plan is 42 million Cuban pesos.

The erection of specialized docks for loading bulk sugar continued in Cuba during the second half of the 1970's. In 1978 such a dock began to operate at the port of Carupano in Las Tunas Province. In 1979 such a dock was turned over at the port of

Ceiba Hueca in Granma Province, its storage premises will enable 44,000 tons of sugar to be stored, and the operating lines are designed for loading 700 tons of product per hour. Simultaneously work has been done to deepen the bottom at Ceiba Hueca.

Because of the creation in northeastern Cuba of a large mining and metallurgical complex, the significance of the ports on the Olguin Province coast has grown considerably. A master plan for developing Nipe Bay ports that was designed to take 30 years began to be implemented in the second half of the 1970's. In accordance with the plan, 10 docks with a total length of 1,826 meters for loading and unloading general cargo (including use of the roller method) are to be built at the port of Felton.

"The Main Directions for the Social and Economic Development of the Republic of Cuba During 1981-1985," plans an expansion and modernization of the country's main ports, in order to cope with freight turnover, which will be increasing during this five-year plan (particularly in export operations), and completion of the construction and introduction into operation of workshops and a central repair base for port equipment.

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11409

CSO: 8144/1404

FISHING RESEARCH CENTER ACTIVITIES DESCRIBED

Havana MAR Y PESCA in Spanish Mar 82 pp 32-35

[Article by Pedro Morales: "Scientific Research as a Function of Industry"]

[Text] The close ties between the Fishing Research Center [CIP] and industry are manifested in various ways. The first, naturally, is that of official studies underway; then, there are aspects such as the use of the fleet's vessels for various activities at sea and direct participation by fishermen in taking samples of various prospectings. For example, in the studies constantly being made with regard to the scheduling of the closed season for lobster, the fishermen and companies in which they are employed play, perhaps, the most important role by being the direct collectors of all necessary information. It is obvious that, without this close cooperation, this relationship to which the seamen devote their most determined interest and enthusiasm, it would not be possible to obtain the meritorious results presently being achieved in the area of fishing research.

I. A full net was recently lowered onto the poop deck of the shrimp boat. Once the contents are emptied, four crew members begin to sort out the desired crustacean... But, hold on! Some concern themselves only with the accompanying fauna. They leave the shrimp aside; what interests them is the crabs, "jaibas" [a special species of crab], fish of various species, snails and even samples of flora. As a certain amount of time is taken on board, one would think we are dealing with two more fishermen.

CIP specialists and technicians frequently travel on board the vessels of our fleets. It is precisely the work of this institution that we are describing in this brief report, basically, because it is an activity closely connected with production and one which has played a very important role in the development of our fishing industry. It is an effort devoted to the search for areas rich in edible species, greater efficiency in fishing methods and greater knowledge of our marine resources; and all this, naturally, to contribute to a quantitative and qualitative increase in our catches.

II. If you wish, an explanation of CIP's organizational structure could, in itself, give us an initial idea about the work the organization is doing.

The CIP has a total of 309 workers of whom 77 are higher-echelon technicians; it has various laboratories and specialized installations, libraries, a data-processing center and vessels equipped for scientific research--in addition to using vessels of the fleets for this purpose--among other means. All its labor activity is spread over four subdirectorate entities: the administrative, made up of a department of economy and one of maintenance; the technical, responsible for the laboratories, library and data-processing center; education and development, responsible for the fleet, fishing technique and development departments; and that of research, with a national fisheries department and a department of fishing ecology.

III. It was with Wilfredo Blanco, head of the Department of Fisheries, that we set the various CIP installations into motion: "In our area," Blanco explains, "we have two major research possibilities: that of the crustaceans and that of fish. In each of these there are groups which research various aspects. With regard to shellfish, the group carries on studies at various parts of our continental shelf, such as at Broa Bay, the area extending from Cienfuegos to Manzanillo, and others. The work is connected with the bioeconomy of the species, its youthful and larval stages, etc."

The shrimp group devotes special attention to the so-called catch bureaus, an organization established in fishing companies in which a biologist and an assistant work together with the bureau in question and remain close by the areas of greatest shrimp concentration to decide the number of boats which should be used as well as the technical methods to employ.

Among the crustaceans, another subject of great interest is that of the lobster, a species, as is known, of extraordinary importance to our fishing economy. In this aspect, we would point out the work done on annual catch estimates as well as that on areas of possible greater saturation. Other biological research makes it possible to determine the minimum size to consider and the closed season periods or the areas where the young of this species are spawned. Largely due to the CIP's efforts, lobster catches, since 1978, have remained above 10,000 tons; this speaks very highly of the good work done by the CIP with regard to size and closed seasons.

But this is not the extent of the work done by this MIP [Ministry of the Fishing Industry] center in connection with lobster. For example, in cooperation with the fishing companies, it conducts research on the best location of collection centers and ways to avoid contamination of the water in areas where lobster are found; together with the Center for Technological Research, it is working toward the creation of a pilot collection center, so that all existing centers might be standardized; and, lastly, it is conducting research to verify the old assertion that there is or is not more than one concentration of lobster on our continental shelf, this work being done in cooperation with the Academy of Sciences of Cuba.

Exploration for fish is also very diversified... Edith Pozo--16 years a graduate and 12 years with the CIP--goes to great length to explain what is going on: "The areas we cover are highly varied with regard to species such as the snapper, crab, porgy or shark, among others. We are conducting research on shallow-water and deep-water trawling, as well as on other methods. This program involves 17 biologists and 5 medium-grade technicians, all conducting studies closely linked with production. With regard to the various species, we are making individual analyses of the possible levels of catch, the best methods to use, and so on."

Among other studies underway in this area are those relating to the surf porgy and shark, the latter a deep-water species of shark caught at the slope of the continental shelf and sometimes weighing as much as 1 ton; additional studies are underway on fishing for sailfish, castero and emperor fish in the southern part of the eastern areas.

Also, as part of the Department of National Fisheries, the group which is studying the so-called developing species is performing important work. At least, this is the impression one gets after listening to an explanation given by Alberto Mari: "There are various species which are not being exploited in an organized manner. Among these are the crab, clam, land crab, turtle and moor crab... Steps are being taken to gather information about the biology of these species in the fishing areas themselves, as well as evaluating potential catches. Moreover, many of these fish could be exported."

If we examine the research this group is conducting in greater detail, we get a still better idea of the work it is doing. For example, the crab is being studied to use it to greater advantage, including its use as a subproduct of shrimp fisheries. In the shoals of Ana Maria and Guacanayabo there are large concentrations of clams not being adequately exploited, and these will be subjected to greater effort by the fishing sector. Likewise, the land crab is abundant in Cienaga de Zapata and a study in this regard will result in better use being made of it.

Finally, the group connected with fishing ecology and another dealing with contamination are carrying out a complete research program especially directed toward production and closely linked with others which we shall see below.

IV. Under the supervision of the Subdirector of Education and Development, the Department of Fishing Techniques plays an important role. Its studies are particularly related to bonito fishing, the exploration of new fishing areas and other subjects of equal interest. For example, with regard to the bonito or mackerel, we are researching new catch methods as well as the oceanographic parameters which influence its migration. With regard to possible new fishing areas, we are analyzing the waters to the north of Villa Clara, Caibarien and Siguanea Bay where certain species are not being presently exploited and whose potential catches must be determined. With respect to education, more than 15 CIP biologists are now taking postgraduate courses in cooperation with the MIP's Center for Technological Research, and others are offering technical assistance to countries with which we have friendly relations.

V. All this broad research activity is undoubtedly supported by the Technical Subdirectorate with its chemical and histology laboratories, among others, its center for scientific and technical information, and its data-processing center--presently underway--all of which are tools without which the researcher could not carry on his important work.

It would be impossible in such few pages to describe the broad and important activity being carried on by the CIP. Each of the aspects, each of the questions being studied, could justify an individual report which would not be less interesting than the overall report itself. However, for now it is sufficient to learn about the enormous effort our male researchers--and female--are making daily to achieve a better development of our fishing industry.

8568

CSO: 3010/1960

AALAPSO TO MARK SENDIC'S 10TH YEAR IN JAIL

Havana TRABAJADORES in Spanish 10 Jun 82, p 3

[Text] The Afro-Asian-Latin American People's Solidarity Organization (AALAPSO) made an appeal to intensify the struggle for the freedom of Raul Sendic and of all the Uruguayan political prisoners.

The documents states that next 1 September will mark 10 years of imprisonment for Raul Sendic, an outstanding figure of the Uruguayan revolutionary and peoples movement.

The message adds: "After 10 years of imprisonment in the midst of the struggle, this outstanding Uruguayan fighter is still in the hands of the fascist government, a victim of the most repudiable treatment by his captors, subjected to constant humiliations and all kinds of tortures, and isolation. Moreover, these 10 years of unending repression and usurpation of all his rights, his physical integrity threatened day by day, have not been able to subdue his stoic nature, his steadfastness and his commitments to the just cause of his people."

The executive secretariat of AALAPSO states that it has always been united with the Uruguayan patriots and fighters.

On the completion of 10 years of imprisonment for Raul Sendic, AALAPSO summons all national, regional and international democratic and progressive organizations, all men who love peace and progress, the institutions that fight to defend the rights of man, the political parties and solidarity movements to put into effect immediate actions directed toward achieving freedom for Raul Sendic and for all the political prisoners who populate the dungeons of the proimperialist dictatorships of Uruguay and to intensify their solidary actions in support of the just struggle of Artigas' people for democracy, freedom, peace and social progress.

9545

SO: 3010/1962

BRIEFS

AALAPSO HAILS ALGERIA--Havana--On the occasion of the 20th anniversary of the independence of the Democratic and Popular Republic of Algeria on the 5th of July, the Afro-Asian Latin American People's Solidarity Organization [AALAPSO] issued a declaration in which it pays tribute to Algerian heroes and martyrs. The declaration observes that the people's victory that transformed the Algerian economic base ushered in a new stage of construction in which the figure of deceased former president Houari Boumediene played an important role in undertaking the difficult problems of development in Algeria and in erradicating backwardness. The AALAPSO document also alludes to the fact that Algeria has actively declared itself in favor of political nonalignment as a solid base for common action with the so-called Third World; that it is working toward Arab and African unity and that it supports the struggle of the Palestinian people and the recovery of Arab territory occupied by Israel. [Text] [Havana GRANMA in Spanish 3 Jul 82 p 5] 9787

PORT UNLOADING ACTIVITIES--Havana--It was reported in this capital that a total of 641,506 tons of imported merchandise was unloaded throughout the country in June. Operations in this stage were affected mainly in the western region by rains occasioned by the storm of the early part of the month and those of the following week. Despite the difficulties created by the weather, the workers exerted an extraordinary effort at the end of June and raised the daily unloading average to 26,470 tons. The arrival of 689,000 tons of merchandise is forecast for July, which requires an intense activity of the chain factors [sic] that will make it possible to reduce existing inventories. During June, 88 ships with 686,500 tons of goods arrived at the roadstead, most of them in the first 10 days of the month when the worst of the intense rains occurred. At an efficiency plenum held recently, the dockworkers made known their willingness to work every Sunday as many hours as needed in order to expedite the task, and in that spirit they will greet the Congress of the Merchant Marine, Port and Fishery Union that will be held in November. [Text] [Havana GRANMA in Spanish 6 Jul 82 p 3]

POLISH, GUINEA-BISSAU ENVOYS--Rene Rodriguez Cruz, member of the Central Committee of the party and president of ICAP [Cuban Institute of Friendship with Peoples], received at the headquarters of that organization Stanislaw Jarzabek, ambassador from the Polish People's Republic to Cuba. In the conversation which ensued in a fully fraternal atmosphere, Jan Janiszewski, counselor of the Polish Embassy in Cuba, and Mario Rodriguez, vice president of ICAP, also participated. The ambassador from Guinea-Bissau also visited the headquarters of said institute and was received by Rene Rodriguez Cruz. The interview was conducted in a climate of fraternal friendship and subjects relating to the development of relations between both nations and the friendship associations were touched upon. Also present were Mario Rodriguez, Felipe Suarez, head of the African and Middle East Department of ICAP, and Augusto Veranes, executive secretary of the Cuban-African Friendship Society. [Text] [Havana GRANMA in Spanish 5 Jul 82 p 3] 9678

CSO: 3010/1928

MAGANA DISCUSSES GUERRILLAS: POST ELECTION SITUATION

Managua LA PRENSA in Spanish 27 Jun 82 pp 2, 4

[Excerpt of Interview with President Alvaro Magana, by Angel A. Garcia Munoz; date and place not specified]

[Text] Guerrilla Activity Slows Down After Elections

Question: Mr Magana: An important and very popular subject in Salvadoran life today is, guerrillas, who since launching the "general" offensive on 10 January 1981 continue their activities in some eastern zones of El Salvador.

What is the real strength of the guerrillas, following the March 28 elections and your inauguration less than 2 weeks ago?

Answer: I think 28 March, election day, was the important date which may reflect a different attitude toward the guerrillas; this was more important than my taking over the presidency.

Since the 28 March elections it is obvious that guerrilla operations have diminished. Those daily news reports about incidents or actions in various parts of the country we used to have, have dwindled both in magnitude and frequency.

Possibly, in some way some guerrillas have been influenced by the massive and spontaneous demonstration of the people, those who rejected war as a solution to the country's problems and who decided to employ the democratic way, not withstanding the difficulties and problems that many had to put up with to give their vote for peace, and who believed they were making peace at the moment of casting their ballots.

I think that this in certain ways, must have had at least some unstabilizing effect on the plans and attitudes of those people [the guerrillas] or maybe an emotional impact as communist ideologues say, or whoever engage in such things, which I just don't understand.

Nothing To Be Negotiated With Guerrillas

Question: President Magana: Is it possible that among the policies the new Salvadoran Government might adopt could be the time-honored one of "negotiations?"

Answer: In my May 2nd presidential message I was categorical in the sense that there was nothing to negotiate. What I meant is that I interpret the March 28 elections as the people's decision to bestow power on those elected.

In my case, it was an indirect election and I do not presume to have a problem mandate, but the people who chose me do, definitely, in a very significant way. When I talk of no negotiations, I want to point out that this would be contrary to what the people voted for themselves on 28 March.

Besides I must recognize that the main reason for voting on 28 March was pacification, that is why I have made pacification into an important issue, but it is one of complexity; this does not lend itself to quick solutions. I hope these measures will have positive results.

Just to mention one of the aspects of pacification, as an example: the study we are doing on the possibilities of having amnesty is important. This should be done parallel with other actions which will benefit people we want to help.

On the other hand, the pacification problem in general should be viewed in a way that all the important sectors of the population will take part and participate in one way or the other. In this regard, I think and this is the first time I've mentioned it--even though it is not official yet--I am planning to form a Committee on Pacification, in which all elements, the political parties, the Church and other important sectors, will be represented, to take up the pacification idea seriously, sincerely, in such a way that will make us see results in the short term so necessary and urgent, I believe this is the desire of the Salvadoran people.

Military Backing

Question: Finally, President Magana, does the present government have the absolute backing of the military not only of the rank-and-file but also at the top?

Answer: I have always had that impression, but just yesterday, the Chief of the Presidential General Staff, to a similar question answered that the armed forces were united in the democratic process and the person talking to you is the man the political sectors and the armed forces agreed on, perhaps unworthily, and with a little good luck and because of a series of favorably circumstances which allowed me to get this mandate to seek a way out of the impasse in which the political parties were caught.

For all that--I believe the armed forces, with a firm democratic conviction, with the very professional stance they demonstrated on 28 March; and I believe they have the greatest wish that the next election will come out as did the one we have just lived through.

9928

CSO: 3010/1911

ASI CLAIMS PHARMACEUTICAL INDUSTRY IS SOURCE OF REVENUE

San Salvador EL MUNDO in Spanish 21 Jun 82 p 3

[Text] "El Salvador produces pharmaceuticals not only for the local market but also for export; moreover, it is the only country in Central America which truly has infrastructure for a pharmaceutical industry," ASI states in a press release, as follows:

"The aforementioned is brought to light by the Association of Salvadoran Industrials (ASI), in response to allegations in recent publications that there is a shortage of medicines in the country due to lack of foreign currency.

"Data provided to ASI by representatives of national laboratories, purport that enough medicines are manufactured to substitute for a high percentage of foreign products and that the Salvadoran pharmaceutical industry generates several million colons through exports of medicines.

"It should be pointed out that in 1979 the industry exported 23,600,000 colons worth, while it imported raw materials and other high cost elements for local laboratories at 18,700,000 colons, leaving a trade balance of 4,900,000 in foreign exchange that this industry contributed to our country."

"In 1980, the data show exports were 29,300,000 and imports 26,600,000 which resulted in a favorable balance of 6,700,000 colons for the country.

"ASI endorses the criteria that because of these reasons it may be concluded that with small importation of raw materials and other components, a great quantity of medicines that currently are imported, with exchange flight instead of earnings for the country, could be replaced by import substitution.

Quality Control

"On the other hand, it is said to be worth knowing that the Salvadoran pharmaceutical industry presently has modern equipment to maintain quality control over raw materials that are utilized by our laboratories during the manufacturing of the medicaments.

"To this effect, it should be added that this national industry has professional chemists and pharmacists who specialized in quality control in Panama, Mexico, the United States, France and other countries.

Different Controls

"ASI continues to point out that according to what the representatives of national industry have reported, the industry performs physical, chemical and microbiological analyses and raw materials are analyzed from the moment they arrive at the factory, and are kept in quarentine until Quality Control has determined purity percentages.

"Moreover, they reported the quality of products in process also is controlled, even to products on the pharmacist's shelf, in order to verify that condition is good and to protect the health of the patients who use them.

"In the same way, it is noted that the great majority of manufacturing laboratories analyze 90 percent and more of raw materials they use.

30 Laboratories in El Salvador

"Finally, to give an idea of the strength of the pharmaceutical industry in El Salvador, it should be pointed out that 30 laboratories are dedicated to the manufacture of this product, employing a great number of Salvadoran workers, generating other activity related to this industry, and producing foreign exchange--which does not occur with imported medicines, which, to the contrary, are a drain on foreign exchange."

9928

CSO: 3010/1911

BFA TO GRANT COTTON INDUSTRY INCENTIVES

San Salvador LA PRENSA GRAFICA in Spanish 22 Jun 82 pp 2, 40

[Text] The president of the Agricultural Promotion Bank (BFA) told cotton farmers gathered at the "El Papalon" Cotton Cooperative in San Miguel that the Bank has capacity for financing sowing of at least 20,000 manzanas of cotton with an investment of more than 40,000,000 colons.

Promotion Bank officials promised the cotton farmers from San Miguel to negotiate better loans from the Central Reserve Bank, negotiating moreover support prices and purchase guarantees for the 1982/83 harvest.

Cotton farmers commented favorably on the fact that the president and officials of the bank have decided to travel to their region in order to meet for a second time with those dependent upon agricultural credit to establish a new "open dialogue" policy, and to define a system of priorities, within which the cotton industry has priority, it was said.

Before the "El Papalon" meeting, authorities of the bank met with chiefs of agencies from the Eastern Zone, to review the agricultural financing process and to know problems and needs in order to search for immediate solutions.

The cotton farmers expounded their problems at the meeting, especially regarding the need to liberalize credit for the 82/83 harvest, for refinancing arrears, and encouraging this crop. With this measure, BFA joins in the task of reactivating the national economy in all aspects: greater employment for the Salvadoran peasants; increased cultivation of cotton; larger harvests of cotton, of seeds and byproducts; and finally larger industrialization of cotton fiber for export to obtain more foreign exchange for the country.

9928

CSO: 3010/1911

SANDINISTS SEIZE SEVEN FISHING BOATS

PA261820 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 26 Jul 82

[Text] The Sandinist Navy has detained seven Honduran fishing boats. Seven Honduran-registry fishing boats worth 1 million lempiras, with some 30 crewmen on board, are being held in Puerto Cabezas, Nicaragua, after they were captured by the Sandinist Navy in Honduran territorial waters.

(Furjon R. Miller), liberal deputy for Islas de La Bahia Department, charged on Saturday that a lack of naval vigilance in Honduran waters enabled the Sandinists to capture the seven fishing boats. He said that Sandinist Navy patrol boats violate Honduran maritime sovereignty 24 hours a day and are able to easily seize fishing boats because there is no protection. The shrimp and lobster fishermen of Gracias a Dios and Islas de La Bahia Departments no longer know where to fish, because they are captured and machinegunned by the Nicaraguans. In view of this worrying situation, they have gone to the Puerto Cortez naval base offices to ask for protection but have yet to obtain it.

The deputy said that Major Cano, commander of Puerto Cortes Naval Base, has always given the excuse that they do not have sufficient fuel to maintain permanent watch over Honduran waters to prevent provocations by the Sandinists. (Miller) added that while the Honduran Navy does nothing, the Sandinist Navy patrol boats enter Honduran waters day and night. He also reported that a few months ago the Sandinists set fire to a Honduran fishing boat that they had captured and were holding in Puerto Cabezas and that other fishing boats have been turned into armed patrol boats.

Regarding the captured Hondurans, (Miller) said that they are all crewmen of the seven boats and that so far the Sandinists have only freed the Honduran Miskitos who work in those boats as divers. He said that efforts are being made through the Foreign Secretariat to obtain the release of the 30 fishermen and the return of the fishing boats, which are a source of employment for hundreds of Hondurans.

CSO: 3010/2034

BRIEFS

EXERCISE WITH U.S. AIR FORCE--Since Friday personnel of the U.S. Air Force and the Honduran Armed Forces have been carrying out a joint exercise to practice and evaluate the control of movements and communications procedures in deployment activities. About 30 U.S. military personnel and more than 1,000 Honduran troops are participating in this limited-scale exercise. They are using U.S. Air Force C-130 Hercules aircraft. During this activity, the 5th infantry battalion will be transferred from Comayagua, where it is stationed, to the Mosquitia region. The U.S. Air Force planes will be stationed in Tegucigalpa, from where they will daily fly support missions for the Honduran troops. [Text] [PA262018 Tegucigalpa Domestic Service in Spanish 1130 GMT 26 Jul 82]

NEW AMBASSADOR TO FRANCE--Gilberto Osorio Contreras, the new Honduran ambassador to France, who is replacing Tiburcio Carias Castillo, will leave for France on 30 July. [PA291705 San Pedro SULA TIEMPO in Spanish 28 Jul 82 p 5]

CSO: 3010/2034

BRIEFS

ORTEGA TO VISIT FRG--Bonn--FRG leader Helmut Schmidt will officially receive Commander Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction and member of the FSLN National Directorate, on 28 September. DER SPIEGEL reported on this visit in yesterday's issue. Schmidt, chancellor and chief of government, is currently on an official visit to the United States, where he has harshly criticized the Reagan administration for boycotting negotiations on the Euro-Siberian pipeline. [Text] [PA262015 Managua Radio Sandino Network in Spanish 1200 GMT 26 Jul 82]

LOANS TO INPESCA--The Nicaraguan Institute of Fisheries [INPESCA] is involved in efforts at the international level to obtain resources to improve the fisheries enterprises. Companero (Enrique Rivas), official in charge of INPESCA supplies, has reported that INPESCA has received delegations from Mexico, the GDR, Peru, Czechoslovakia and Japan interested in offering financial assistance. It is planned to formalize a credit line of \$7 million with Mexico, \$2 million of which will be supplied in spare parts. The GDR has offered \$3 million in refrigeration equipment for shrimp and fish, the first part of which will arrive in the country this year. Peru has offered a credit line of \$1 million, and Czechoslovakia has offered \$700,000 in tools. [PA261908 Managua Radio Sandino in Spanish 1830 GMT 17 Jul 82]

CSO: 3010/2034

AP CONGRESS ELECTS ALVA ORLANDINI SECRETARY GENERAL

Lima OIGA in Spanish 3 May 82 pp 20-23

[Text] Political activity was practically blotted out last week by the World Soccer Cup, which even caused changes in office hours in the Government Palace and in the meeting time of the Council of Ministers. At any rate, the event that stirred public opinion the most was not a local one, but the sad epilogue of the battle for the Malvinas Islands and the changes that it will entail in the Argentine Government.

However, the political temperature rose somewhat toward the end of the week as a result of the tenth ordinary congress of Popular Action (AP), which ended yesterday, and of rumors regarding a possible cabinet reshuffle on 28 July.

On this subject, there is a story going around according to which Manuel Ulloa would leave his posts as prime minister and minister of economy to become president of the Senate. However, since this would cut short Sandro Mariategui's warranted aspirations to this post, the talk is that Mariategui would become prime minister with another ministry (Foreign Relations?), while the thorny Ministry of Economy would fall to Luis Percovich.

This is what would happen if Fernando Schwalb, currently the ambassador to Washington, should refuse Ulloa's post, as it appears he has already done.

Whatever may be, these are only rumors circulating in the corridors of the populist congress. The other side of the coin is represented by rumors that Ulloa will continue as prime minister and economy minister for another year.

Actually, the only sure changes up to now are the ones already announced for the ministerial posts held by members of the PPC [Popular Christian Party], and the minister of interior who, as Ulloa said, has expressed a desire to leave his post in July. The rest is unknown, and in any case the wave of comments would indicate only that something is cooking inside and outside the palace and that the maneuvering that has been going on for some time does not stop even during times of soccer fever.

New Winds in AP

The blood seemed to be flowing in rivers up to the Saturday that marked the beginning of the tenth ordinary national congress of Popular Action, which ended yesterday with the expected election of Javier Alva as secretary general for the 1982-1984 term.

Up to the last minute, President Belaunde had not been able to unify positions that would give a certain coherence to the "unified list" he proposed. During that week Belaunde had to convene as many as three meetings in the palace with the two opposing groups to arrive at a consensus.

The first meeting was on Monday, the second on Wednesday and the third on Friday.

On Monday Belaunde met with Javier Alva, Luis Percovich, Valentin Paniagua, Julio Biondi, Manuel Tafur and Jorge Díaz Leon and discussed the need for a unified list and the probable proportionality of the list.

On Wednesday, again in the palace, there was another meeting, this time with the AP bureau, although this meeting also failed to reach agreement on the proportionality of the list.

And on Friday evening, finally, Belaunde had lengthy talks with Alva and Calmell del Solar and formulated the final agreement for unity and a proportionality that would satisfy both sides, since there are candidates that are acceptable to the two sides, such as Mariategui, Orrego, and others.

Alva's Moves

During the days leading up to the congress, Alva did not remain idle. On Thursday evening he organized a meeting in the pavilion of the convention center at the Crillon Hotel and another on Friday at the Okinawan Association.

On both occasions Alva did his best to show the press the support he had; he said that out of a total of a little more than 600 national delegates, he had enough "to win hands down."

The New Bureau

At both meetings, Alva criticized the way the AP functions and said that he would "completely" reorganize the party. He also announced that he would convene a special congress to "review and update" the party's bylaws and "evaluate the operation of the government," a euphemism meaning that there would be continuous checking of the ministries.

The new bureau is made up of Javier Alva, secretary general, Fernando Calmell del Solar, national deputy secretary for policy, Luis Percovich, deputy secretary for organization, Ricardo Monteagudo, deputy secretary for government affairs, and Hugo Mejia, deputy secretary for administrative matters.

It also includes Ricardo Castro for election matters, Ruben Sanabria for publicity, Sandro Mariategui for economic matters, Eduardo Orrego for local government, Mario Serrano for parliamentary matters and Valentin Paniagua for planning.

Assisting Calmell del Solar are, among others, Elias Mendoza (foreign affairs), Ivan Caverio (business matters), and Odon Huidobro (public subsector).

9805

CSO: 3010/1831

PRESIDENT BELAUNDE PAYS COURT TO APRA PARTY

Lima EQUIS X in Spanish 21 Jun 82 pp 9-10

[Text] Popular Action and, more specifically its leader, the President of the Republic, last week made a great effort to overcome the difficulties facing them and to somehow rise above the adverse currents they are navigating. Two acts of unquestionable political significance are part of this effort. We are referring to the following: passage of a law converting into national monuments Villa Mercedes in Vitarte and two houses in Trujillo, where the defunct founder of the APRA [American Revolutionary Popular Alliance] Party, Victor Raul Haya de la Torre, was born and lived; and, the laborious agreement reached (or imposed) by Belaunde at the National Popular Action Congress to put an end to the dispute between those supporting Javier Alva Orlandini as a candidate and the backers of Fernando Calmell del Solar--with the overwhelming victory of the former.

The second act referred to obviously falls within the framework of defense tactics by the current government. If tensions between AP leaders were to worsen and that group's dirty linen were to be washed in public, this could contribute to the combination of economic, social and political factors threatening the principal government party and its political future. The same is not true of the promulgation ceremony held in the Government Palace. Apparently, both the law making the homes in which Haya de la Torre lived historical monuments and the ceremony we referred to were only a tribute to the memory of an outstanding citizen of our country. But what we can learn from reading between the lines and from statements made by Deputy Andres Townsend, an APRA dissident, indicate that it was more of a political maneuver and specifically an initiative of Manuel Ulloa, supported by Armando Villanueva del Campo.

By inviting the leaders and other members of the APRA Party to a ceremony which, after all, involved government recognition of a former leader, President Belaunde put people like Fernando Leon de Vivero, who had maintained their opposition, on the line. Not to attend would have been a serious rebuff that could be exploited politically against the Aprista Party. To attend, however, could mean an initial step toward a certain understanding eagerly sought by the government leaders at a time of serious difficulties, and for quite specific reasons. As compensation, Andres Townsend Ezcurra

was ostensibly left out, an important move for the legitimate leadership of the Party of the Home of Alfonso Ugarte, which political analysts immediately noted and which Lambayeque's own representative publicized with obvious bitterness.

In statements made to the press, Townsend said that the fact that he was not invited to the ceremony by the president was proof of the "understanding between the leadership of Alfonso Ugarte and Popular Action." Moreover, he asserted that the idea of declaring the homes Haya lived in historical monuments was "pirated by the government and the APRA leaders." Whatever the case, the fact remains that the presidential invitation in some ways compromised the APRA leaders. The fiery praise that Belaunde heaped on the commemorated founder of the APRA Party--saying that Haya de la Torre could have chosen a comfortable life but instead opted for political struggle in a crusade full of unexpected turns and risks, to serve the country with extraordinary equanimity--represented a tremendous tribute that was heard with great emotion by the APRA leaders. It also triggered an equally significant reply by the secretary general of the Aprista Party. According to the story published by the official news agency, Fernando Leon de Vivero said: "We are in this place, the Government Palace, to defend the democracy that you govern." Besides showing the APRA's emphasis on democracy and the constitution, such strong statement was regarded in government circles as a show of support that could be extended to cover the policy of the parties sharing power. Above all, it may be used to urge the APRA Party to defend or at least approve certain objectives that the AP-PPC [Popular Christian Party] consider "indispensable to consolidate the democratic regime." These include making a number of government enterprises private, modifying the banking law, promoting penetration of transnational capital, and continuing price hikes and monetary devaluation, as recommended by the IMF.

In addition, the government wanted to give the impression that a great "front of sympathy" was forming around Belaunde, precisely at a time when moves to precipitate the resignation of the War Minister, Gen Luis Cisneros Vizquerra, were gaining momentum. It could not be pure coincidence that during the same week U.S. Ambassador Frank Ortiz met, at his invitation, with Fernando Leon de Vivero and Armando Villanueva (see "A Good Source").

The position of the APRA secretary general is understandable, as he was subject to intense pressures from both within and outside his party, but it would be highly reprehensible if the main opposition force were led to hand over power by the wrongful promotion of an "understanding" which, unfortunately, is now supported by Armando Villanueva and meets with the approval of such people as Luis Alberto Sanchez and Ramiro Priale. And it would be reprehensible because it would endorse the government's negative antinational, antipopular policy and would instead destabilize the democratic regime.

The AP Congress

Up to press time and a little before the Tenth Popular Action Congress began, the confrontation between the majority group headed by Javier Alva Orlandini and the group led by Manuel Ulloa was still going on. And, despite the agreement obtained by Belaunde to vote for a unified list and thus prevent the humiliating defeat of the Ulloa faction (see EQUIS X, No 295), Ulloa continued to maneuver in the background. The headquarters of the AP, the "Casa Rosada" on Paseo Colon, was not an adequate place for a contest with some 1,000 delegates. On the basis of this correct assessment, the "Lechuzon" raised the idea of holding the Congress in a larger, more comfortable environment, and proceeded to contract the services of the Crillon Convention Center. Actually, his move was aimed at avoiding the control exerted in the party headquarters by the Ulloa backers, through the bureau, which is supposed to be terminated, and its shock troops. The "Ulloists" in turn naturally insisted that the congress be held in the "Casa Rosada."

Moreover, the Ulloa faction demanded that the "Lechuzon" fully guarantee Ulloa's election on the basis of the bipartisan slate. Although Alva agreed to the single slate vote, he rejected the demands for a "guarantee," saying it was impossible to accept this claim in a situation of secret voting, without any magical means at his disposal.

However, Alva's trip to Cajamarca, his bastion, immediately prior to the congress was used by the Ulloists to concoct stories against the "Lechuzon," in an attempt to turn Belaunde himself against him. It was said that Alva's purpose in promulgating in that northern city four laws that the president had not approved was to match the chief of state power for power. Actually, without ignoring the fact that this action could be regarded as a bit of a publicity stunt (but not to a great extent, since Alva already was assured of being elected to the post of secretary general), it is clear that the trip was essentially made because of the "Lechuzon's" desire to isolate himself and avoid last-minute pressures from the highest levels to impose further conditions on his victory.

The postponement of the congress's opening ceremony from Friday evening to Saturday noon reflected the last-minute tensions and conflicts. These evidently were between the grass-roots level that wanted Javier Alva as secretary general and a bureau with an "Alvista" majority, and the antidemocratic pressure of a neo-oligarchic, transnational faction centered around Manuel Ulloa. President Belaunde, as head of the party, had, when this issue went to press, one of the most difficult political tasks to pull off, namely, to avoid a scandal and a break or a division in his party that would certainly jeopardize his own regime. The best way to achieve this would of course be to follow the majority feeling and respect the wishes of the people as a whole.

9805

CSO: 3010/1831

PPC TO ESTABLISH NEW COOPERATION GUIDELINES WITH GOVERNMENT

Lima EL COMERCIO in Spanish 28 Jun 82 p A-4

[Text] Toward mid-July, the Eighth National Plenary Conference of the Popular Christian Party [PPC] will determine the new guidelines of its cooperation with the Popular Action [AP] government for yet another year starting on 28 July.

According to a member of the PPC National Executive Committee, this party conference in which 200 delegates are participating will discuss an already set four-point agenda.

First, the conference will nominate two new candidates for the posts of minister of justice and minister of industry, tourism and integration. Our informant told us that the list of names is long and unrestricted and that the candidates will be selected during the preparatory meetings.

The second item will be a report on what ministers Enrique Laroza and Roberto Persivale Serrano have achieved while in office. "They have implemented the Popular Action program and therefore there will be no assessment on what has been achieved in terms of our party program," the PPC spokesman said.

The next item on the agenda will be reports submitted by the PPC's official spokesmen in Parliament, Deputy Roberto Ramirez del Villar and Senator Ernesto Alayza Grundy. We were told that they will take stock of the party's achievements and contributions in the two legislative bodies.

Finally, the plenary meeting of the PPC will implement the agreement made by the Seventh Plenary meeting (December 1981) concerning one more year of cooperation with the AP government, until July 1983.

He said that this means approving new cooperation terms which are laid down in a document drawn by the president of the party, Dr Luis Bedoya Reyes, and by the Political Commission.

Independence in Cases of Disagreement

The spokesman of the PPC National Executive Committee said that one of the conditions for this new cooperation is that all draft bills introduced by the executive branch must be previously submitted to PPC deputies for discussion.

"As pointed out by the president of our party," he said, "if after these discussions and during the parliamentary debates, AP is divided on this or that draft bill, the PPC delegates are free to vote according to our own criteria."

He rejected the idea that the national plenary meeting and the party are seeking more ministerial posts for the PPC. He also denied that the purpose of the July meeting is to discuss the next municipal elections, which will be the subject of the December plenary meeting.

He noted that the party's position remains unchanged and consists in protecting the democratic regime by cooperating with the AP, which means making concessions. The interest of the nation stands above the interest of the party, said the high-ranking PPC official.

He said that in this context there are frequent exchanges of views between the two parties and gave as an example the luncheon meeting last Thursday between President Belaunde and Luis Bedoya Reyes.

On that occasion, the leader of the PPC was accompanied by members of Parliament Ernesto Alayza Grundy and Roberto Ramirez Villas, by Minister Enrique Elias Laroza and by top officials Armando Buendia, Ricardo Amiel and Roberto Rotondo. All six constitute the National Executive Committee of the PPC.

The spokesman said that the question of the new PPC ministers, the municipal elections and support for the government were not discussed during the luncheon with the head of state. "They talked about all sorts of things, including soccer; these meetings are frequent and many subjects are discussed," the spokesman said in conclusion.

8796

CSO: 3010/1915

GAGLIARDI REJECTS POSSIBILITY OF NEW TERRORIST OUTBREAK

Lima EL COMERCIO in Spanish 30 Jun 82 p A-4

[Text] Minister of Interior Jose Gagliardi Schiaffino denied yesterday the possibility that the terrorist attack on the Cerro de Pasco Prison and the escape of several outlaws charged with subversive activities could herald a new outbreak of terrorism.

He said that those who think and talk in these terms are exaggerating and attaching too much significance to an incident "the sole purpose of which was to prevent the transfer of the terrorists to the penal colony of Fronton Island."

In his statement to the press following the celebrations to mark the 159th anniversary of Jose Olaya's death in Chorrillos, Gagliardi said that the incident at Cerro de Pasco in which a republican guard was killed, is being thoroughly investigated.

After pointing out that until early yesterday afternoon, no key information was available concerning the whereabouts of the escaped prisoners and their accomplices in the jailbreak, he said that the investigation is likely to yield the desired results very soon.

With regard to the belief that all the terrorists have already been interned in El Fronton, the minister of interior explained that it is not so and it was to prevent their transfer to Lima that the escape was carried out with outside help.

He added that "transfers are really not made as frequently as they should be and this leads to incidents such as the one at Cerro de Pasco."

Asked about the possibility of bringing back the death penalty in the country, Gagliardi pointed out that this can only be done by a constitutional amendment which, if proposed, will have to be examined during two legislative sessions.

Still in connection with what happened at the Cerro de Pasco Prison, located in the central sierra region, he pointed out that there is calm in the town of Ayacucho and that much support is being given to incentive projects,

road works among others, where even local workers are recruited as a means to bring economic aid to the local population. "We are paying attention to the most pressing problems which exist not only there but also in other neighboring places," he said.

Lynching Incident

Referring to the lynching of a thief caught "red-handed" in Villa el Salvador, the minister of interior explained that those who took the law into their own hands will be brought to justice.

He said this as he pointed out that the neighbors may have misused the law dealing with the protection of people's homes, recently passed by the government, which allows the use of force, and even the use of weapons, against criminals when the lives of the occupants are threatened.

Olaya: an Example of Service

Gagliardi who, as minister of interior, attended the celebrations marking the 159th anniversary of Olaya's death, and later stood in for President Belaunde during the school parade organized as part of these celebrations, said that the heroic fisherman from Chorrillo "had set an example of what it means to serve the motherland and a cause such as the independence cause."

He stressed, more particularly, how noble it was to remain silent about the identity of those under whom he was serving the cause of liberation even at the cost of his own life.

8796

CSO: 3010/1915

IU REVIEWS PARTY'S ORGANIZATIONAL STRUCTURE, PLANS

Lima EQUIS X 21 Jun 82 pp 22-23

[Text] The Executive Committee of the United Left [IU] held a long, tense meeting of self-criticism a short time ago. It lasted a little more than 12 consecutive hours, from nine in the evening until nine the next morning.

"We have never had such a frank, candid meeting," said one of the IU leaders shortly afterwards.

They reviewed the current position of the United Left and studied its future possibilities. They tried to go to the root of the problem and discuss the reasons IU had essentially made no progress since it was founded.

That is, it has made no progress as far as its internal development is concerned and it has made little or no progress in increasing its numbers at the grass-roots level in the national political scene.

Since it was a meeting for self-criticism, there was no lack of mutual reproaches and recriminations, in the midst of bitter discussions in which everyone spoke his own mind.

They discussed the situation in the country, the government's failure and the prospects that this opened up, the current status of the labor movement, and the position of the various political parties represented in Parliament. Discussions focused somewhat longer on APRA's position.

A little later, explanations were requested as to why the committee responsible for drafting a joint program for IU had not yet completed its work.

This led to an in-depth review of the situation within the United Left: the joint program; card issuing; an IU publication; acquiring premises; the organization of meetings and other ways to mobilize; the attitude toward the government and Ulloa's "moves to lure it; the functioning of parliamentary and municipal factions; and friendly relations between the various parties.

During the debate on the internal situation, someone criticized the president of the United Left, Alfonso Barrantes Langan. The entire Executive Committee immediately reacted very positively, spontaneously fending off the attack and repeating their full confidence in Alfonso Barrantes. The person who questioned Barrantes' conduct ended up by apologizing.

In a quieter atmosphere, some conclusions were drafted by consensus regarding the political and economic situation in the country. At the same time, they approved the main lines of and improvements to the IU program charged to a special committee, which has already nearly completed its work and is about to produce a preliminary draft program.

They also adopted a mobilization plan in response to Manuel Ulloa's economic aggression against the people. And they set up mechanisms for real coordination of the parliamentary faction. The only point on which there was marked dissension was on the issuing of cards to all the IU militants, regardless of whether they belonged to a party or not. The dissension, however, was only on the part of the Peruvian Communist Party (Patria Roja). There was no question but that all the others agreed on this issue.

Despite resistance by some, an extremely clear-cut position was taken against terrorist groups. At the same time, they agreed to make every effort to promote systematically a pact between IU and APRA, to form an opposing bloc with the greatest possible degree of cohesion.

Naturally, the purpose of this opposition bloc would be first to prevent passage of the banking law, conversion of public enterprises to private companies, and Ulloa's austerity plan from being carried forward. This should be achieved not only through coordinated action in parliament but also through pressure on the people in the streets, by reorganizing the joint mobilization of APRA and IU in Trujillo.

A document summarizing all these points will be published soon by the Executive Committee of the United Left. Its publication will signify a triumph for the entire IU, and especially for its president, Alfonso Barrantes, over the dogmatic stagnation and sterility that have continuously immobilized the IU for whatever reason.

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BRIEFS

CABINET RESHUFFLE--U.S. pressure on President Belaunde to remove Gen Luis Cisneros Vizquerra from his ministerial post will continue when he retires at the end of this month--or in July, at the time of the ministerial changes for the national holidays. Added to the U.S. pressure is now intensive maneuvering by Gen (ret) Otto Elespuru to get President Belaunde to give him the post occupied by "el Gaucho." It would not be surprising, some sources say, if General Elespuru were also the Americans' candidate, as he had very close ties with them when he was Commanding General of the Army. In any case, he seems to be very sure of his appointment as Minister of War--to the point that he has already made promises and announcements to his close friends. In the Army, however, his actions are viewed with displeasure. The Army officers are waiting. They would like to know, depending on whether "el Gaucho" remains in the ministry or not, if the person running things here is President Belaunde or Frank Ortiz. We shall see. [Text] [Lima EQUIS X in Spanish 21 Jun 82 p 131 9805]

ARRIVAL OF EXOCET MISSILES--Minister of the Navy Vice Adm Jose Carvajal Pareja announced yesterday that some of the Exocet missiles purchased by Peru from France arrived last Saturday. He reported that the rest of the missiles are on their way and that there is no reason to be concerned about their arrival. Regarding the possibility of coming to an "impasse" with France as a result of an embargo on the missiles, the minister said that there was never any problem of that kind and that there had only been comments without any factual basis. He made these statements as he was leaving the Apostolic Nunciature where he went to offer his respects to Msgr Mario Tagliaferri on the occasion of the "Pope's Day." [Text] [Lima EL COMERCIO in Spanish 1 Jul 82 p A-1] -Caracas, 29 Jun (DPA)--A Ghanaian aircraft, coming from France, is being detained at the International Airport of Caracas and it carried 24 Exocet missiles of the type used by Argentina to sink the destroyer "Sheffield" during the "Malvinas War." Today's scanty press reports say that the aircraft was detained last Saturday, that its destination was Guayaquil (Ecuador) and that the cargo was intended for Venezuela. The aircraft is a 707 transport plane that took off from a French airport and made stops in Lisbon, Lima and Quito. Reports say that the aircraft did not have permission to land in Venezuela, a fact which has caused surprise in some journalistic circles since the reports also say that the shipment was intended for Venezuela. [Text] [Lima EL COMERCIO in Spanish 1 Jul 82 p A-1] 8796

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